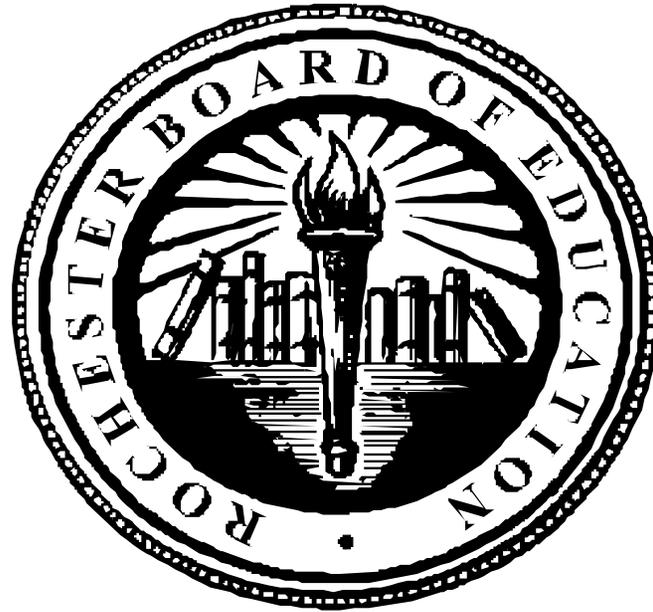


OFFICE OF AUDITOR GENERAL



James Monroe High School Cash Operations Audit

July 2013



James Monroe High School

Cash Operations Audit

Office of Auditor General

OBJECTIVE:

To determine whether the school is complying with the District policies and procedures and to determine if the proper controls are in place to manage non-Student Activity Funds other cash related activities.

BACKGROUND:

School-based cash operations consist of Student Activity Funds (SAF) and other cash related activities. The focus of this audit is related to the other cash related activities. These activities consist of operations where cash or cash related items are exchanged and the activity is not typically an educational opportunity for the student. Such cash related activities include: cafeteria sales, Purchasing Card (P-Card), Wegmans cards, inventory of items, bus passes, athletic gate receipts, concession sales, and other cash collection activities occurring within schools.

SCOPE:

We evaluated the school's compliance with district policies and procedures for cash related activities. We reviewed inventory, cash management and bookkeeping processes to ensure existence of adequate internal controls.

CONCLUSION:

James Monroe High School was under new leadership for the 2012-13 school year. Several of the items identified in this review were a result of historical control deficiencies under prior leadership. The current leadership team is committed to improving the control environment at the school. The school's cash management practices require attention in several areas to minimize loss and comply with District procedures. Receipts for exchange of cash were not consistently utilized throughout the school. Prior year cash remained in school safes and was not deposited until this review. Inventory tracking has not been performed for all musical instruments and Steel Band items were missing and not formally reported. Ticket sales were not adequately tracked and reconciled to cash collected and reconciliations for gate receipts were not consistently performed. Training and oversight were not adequate to prevent non-compliant, off the books activities associated with the donation, commingling of funds and overall documentation of financial transactions.

MANAGEMENT ACKNOWLEDGEMENT:

Management has met with OAG to discuss and understands the various observations and recommendations in this report. The school has already started working towards improving controls for cash operations to comply with established District procedures.