

**Campus Based Controls Audit –
New Tech High School at B.F.
Darrell**

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Date: September 10, 2025

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Campus Based Controls Audit – New Tech High School at B.F. Darrell

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Campus Based Controls Audit – New Tech High School at B.F. Darrell (New Tech HS).

The audit focused on reviewing the campus' activity fund processes and transactions, payroll, attendance for credit, and cafeteria operations to determine if they followed District policies, processes, and procedures.

Auditors identified instances of non-compliance in the following areas:

- Training
- Monthly Bank Reconciliations
- Cash Receipts
- Purchases and Disbursements
- Fundraisers
- Donations

Background

The fiscal year activity funds received for campus activity funds and student activity funds totaled \$266 and \$28,810 respectively.

Scope

The audit focused on activity from fiscal year (FY) 2024-2025. Certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

Objective

The audit objective was to determine if New Tech HS was in compliance with District policies, processes, and procedures related to activity funds, payroll, attendance for credit, and cafeteria operations.

Methodology

OIA reviewed processes, controls, and supporting documents related to campus operations for activity funds, payroll (overtime), attendance for credit, and cafeteria operations. Auditors interviewed campus staff, conducted walkthroughs, and performed the following:

Activity Funds

1. Board of Control (BOC) – To determine if the campus was in compliance with the District's requirement to establish a BOC and hold BOC meetings to review activity fund activities such as fundraisers, cash receipts, deposits, purchases, and transfers, auditors requested BOC meeting minutes and activity fund supporting documents.

See Observation 1.1 in this report.

2. Training – To determine if campus staff responsible for activity funds (i.e., principal, principal designee, bookkeeper, and sponsors) completed the required activity funds training and passed the training quiz, auditors identified campus staff responsible for activity funds and reviewed training certificates.

See Observation 1.2 in this report.

3. Monthly Bank Reconciliations – To determine if cash receipts and bank deposits were properly accounted for, auditors obtained and reviewed the March 2025 bank reconciliation prepared by the General Ledger Division of the Accounting Services Department along with the reports below and verified there were no unusual or lengthy outstanding items as of May 2025.

- DISD Receipts Awaiting Remittance Report
- DISD Receipts Awaiting Bank Clearance Report
- DISD Activity Fund Unreconciled Transactions Detail Report

See Observation 1.3 in this report.

4. Cash Receipts – To determine if cash receipts for activity funds were properly supported, auditors obtained the *DISD Cash Receipts Register – Activity Funds* report from Oracle for FY 2024-2025 and compared to activity funds records maintained at the campus. As of May 31, 2025, the Oracle report showed the campus entered 107 receipts into campus activity funds totaling \$29,115.36. Auditors selected a random sample of six cash receipts and verified the following:

- Oracle receipts were supported by the Financial Accounting Support to Campuses (FASC) – *Activity Funds Tabulation of Monies Collected from Students*, Form A-47, as

applicable.

- Oracle receipts were supported by the *FASC – Activity Funds Sponsor/Staff Deposit Slip* form, if applicable.
- Sponsors submitted funds to the bookkeeper on the date collected.
- Both the bookkeeper and sponsor signed the Oracle receipt.

See Observation 1.4 in this report.

5. Cash Safeguarding and Bank Deposits – To determine if cash collected was properly safeguarded and deposited in the bank, auditors verified the following:

- The campus had a working safe.
- Access to the safe was properly restricted.
- The safe was kept locked.
- There were no deposit bags in the safe with dates older than the last courier pick-up.

No observations were noted.

6. Purchases and Disbursements – To determine if the campus was in compliance with policies and procedures for activity fund disbursements, auditors obtained the *DISD Requisitions PO by Line report from Oracle* for FY 2024-2025 and noted the campus made 53 disbursements with student activity funds totaling \$13,858 and no disbursements with campus activity funds. Auditors selected a random sample of six campus activity fund disbursements totaling \$7,380 and verified the following:

- The *FASC Activity Funds Request for Purchase and Payment* form (CAF 2071) was signed by the principal and reviewed by the BOC.
- The requisition was approved by the principal.
- A quote was attached to the requisition.
- The correct line code was used in the requisition.
- A purchase order was created after the requisition was approved.
- Items were received or services were rendered, and vendor provided an invoice before payment was made.
- Sales tax was not included in the payment, unless required.
- Purchases with campus activity funds were made from a District approved vendor.
- Purchases were allowable per District policy.

See Observation 1.5 in this report.

7. Fundraisers – To determine if fundraising activities were approved and if funds collected were properly accounted for, auditors obtained a report from Laserfiche as of May 7, 2025, showing the fundraiser permission forms submitted for approval. Auditors then verified fundraiser recaps were submitted, when applicable, and funds were receipted in Oracle and deposited to the appropriate activity fund account.

See Observation 1.6 in this report.

8. Donations – To determine if donations were properly supported, accounted for, and reported, auditors reviewed the *DISD Cash Receipts Register – Activity Funds* report and verified the following:

- The principal, executive director, and Board of Trustees, where applicable, approved the donations.
- The campus reported the donation to the Volunteer and Partnership Services department.
- The campus documented donor intent.
- The campus recorded donations in a specific campus activity funds account and disbursed funds according to donor intent.

See Observation 1.7 in this report.

Payroll (Overtime)

1. Overtime – To determine if the campus was in compliance with policies and procedures for overtime, auditors obtained the *DISD GL Payroll Distribution Report* from Oracle noting no overtime activity (excluding custodial and food service staff) as of May 2025.

No observations were noted.

Attendance for Credit

1. Attendance for Credit (AFC) – To determine if the campus complied with AFC requirements, OIA reviewed information from the AFC system and verified the following:

- A principal's plan is implemented.
- Seat time hours were documented, completed timely and in accordance with the assigned principal plan, and conducted outside of required instructional time.
- Assignments for content-specific work were completed during seat time hours and were maintained in the AFC system.
- Evidence of the Attendance Committee's approval/denial of credits to support final decisions.
- Any exceptions to the attendance for credit program requirements were accompanied by a valid petition.

No observations were noted.

Cafeteria Operations

1. Operations – To determine if the campus cafeteria was clean and up to date on required inspections, auditors performed the following:

- Completed a walkthrough of the kitchen and other areas to verify cleanliness, current state of equipment, and if staff are following procedures for proper food handling.
- Obtained the last two City of Dallas, Department of Code Compliance – Consumer

Health Division, Retail Food Establishment Inspection Reports and verified the campus met the City of Dallas food protection and education sanitation standards.

No observations were noted.

2. Cash Handling – To determine if cash collected by the campus cafeteria was handled in accordance with District policy, auditors conducted a walkthrough with the campus kitchen supervisor and verified the following:

- Cash deposit bags were locked in the safe and recorded in the *Cafeteria Deposit Pick-up Log*.
- Change fund was secured in a black box or safe.
- Change fund matched the amount recorded in the cafeteria change fund form.

No observations were noted.

Primary criteria used in this audit were:

Activity Funds

- 1) CFD (LOCAL), Activity Funds Management, date issued June 3, 2022
- 2) FJ (REGULATION), Student Fundraising, date issued May 25, 2017
- 3) CDC (REGULATION), Gifts and Solicitations, date issued August 31, 2023
- 4) Dallas ISD Activity Funds Manual, updated July 2023
- 5) Dallas ISD Activity Funds Sponsor/Staff Handbook, updated July 2024
- 6) Dallas Independent School District (ISD) Purchasing Manual, dated August 2023

Payroll

- 1) DEA (REGULATION), Compensation Plan, issued March 28, 2022 and latest version issued February 6, 2025
- 2) Dallas ISD Oracle Payroll Manual, updated July 10, 2023

Attendance for Credit

- 1) FEC (REGULATION), Attendance, Attendance for Credit, date issued November 4, 2016
- 2) FEC (LOCAL), Attendance for Credit, date issued December 1, 2016
- 3) Texas Education Code, Section 25.092, Minimum Attendance for Class Credit or Final Grade, September 9, 2021
- 4) Attendance for Credit Procedural Manual 2024-2025

Cafeteria Operations

- 1) Dallas ISD Food and Child Nutrition Services Standard Operating Procedure, Cleaning and Sanitizing Food Contact Surfaces, updated August 20, 2024
- 2) Dallas ISD Food and Child Nutrition Services Standard Operating Procedure, Date Marking Ready-to-Eat Time/Temperature Control for Safety Foods, updated August 20, 2024
- 3) Dallas City Code, Volume I, Chapter 17, Article X., Section 17-10, Compliance and Enforcement (as of this report date)

Audit Observations and Recommendations

Observation 1 – Multiple instances of non-compliance with activity fund policies and procedures were identified.

Condition

Auditors conducted the testing described in the methodology section above and noted the exceptions below.

1. Board of Control (BOC)

Auditors reviewed the BOC meeting minutes for August, September, October, and December 2024 and for January and April 2025 and noted there were no discussions regarding receipts from student temporary ID badges. Per the Student Temporary ID forms, as of May 5, 2025, \$412 should have been collected by the campus.

Auditors also noted that a donation to LULAC for \$413 was not discussed in the April 2025 BOC meeting.

2. Training

Auditors obtained the Activity Funds Training Acknowledgement forms from the campus noting four sponsors did not take the required training.

3. Monthly Bank Reconciliations

Auditors reviewed the Oracle DISD Receipts Awaiting Bank Clearance report as of May 12, 2025, and identified two receipts – dated December 6, 2024 and February 6, 2025 – totaling \$953, that were recorded in Oracle but had not yet been deposited into the bank.

Auditors reviewed the DISD Activity Fund Unreconciled Transactions Details Report as of May 12, 2025 and noted that there was one unreconciled item totaling \$600 as a result of a deposit adjustment from the bank. Auditors were not able to determine the cause of the deposit shortage.

4. Cash Receipts

Auditors reviewed a sample selection of six cash receipts, totaling \$3,271, noting the following:

- None of the selected samples included a completed Tabulation of Monies form or a Sponsor Deposit form detailing the breakdown of the total cash submitted to the bookkeeper. Furthermore, all forms reviewed were either incomplete or improperly filled out.
- Auditors were unable to verify if funds were submitted to the bookkeeper on the day collected as no tabulation of monies or other documentation to support the date collected could be obtained for all six of the samples tested.
- Three of the Oracle receipts tested, totaling \$855, were not signed by the bookkeeper

or the sponsor. Additionally, there was a consistent absence of dual signatures on cash receipts, indicating a lack of proper segregation of duties to ensure all cash collected was submitted.

- As of May 5, 2025, auditors reviewed the Oracle *DISD Cash Receipts Register – Activity Funds* report and noted that only one receipt totaling \$104 for student temporary ID badges was recorded. However, according to the campus' Student Temporary ID forms, a total of 412 temporary badges were issued between October 8, 2024, and May 5, 2025. The campus charges \$1 per temporary badge, indicating that \$412 should have been collected. This results in a discrepancy of \$308 in unaccounted for funds. Prior to October 8, 2024, there was no documentation to support funds collected for temporary ID badges, and therefore, auditors were unable to determine the extent of the unaccounted funds during FY 2025.

5. Disbursements

Auditors reviewed a sample selection of six disbursements totaling \$7,380. Auditors noted that all six disbursements Activity Funds Request for Payment and Purchase forms were not on file; as a result, they were not reviewed by the BOC.

6. Fundraisers

Two fundraisers were submitted to FASC for approval as of October 16, 2024. One fundraiser was for homecoming tickets and the other was for prom, senior night, and senior dues. Neither fundraiser had a fundraiser recap or cancellation request. No funds were recorded in Oracle or deposited into the bank.

7. Donations

Three donations totaling \$883 did not have documentation to support donor intent. Furthermore, these donations were not reported to Partnerships and Volunteer Engagement Services. Of these, two donations totaling \$853 were incorrectly recorded in Oracle under the student activity funds account instead of the campus activity funds account.

Cause

The campus did not follow the policies and procedures established by the District for activity funds management.

Cash transactions are inherently difficult to monitor, even under robust control environments. While the District has established several layers of controls to manage, track, and monitor activity funds; the instances noted above suggest that many of these controls were either not followed or were overridden.

Effect

Disregard of District policies and procedures at the campus-level resulted in unauthorized transactions and improper management of activity funds resulting in the inability to determine if activity funds were properly collected, recorded, and spent.

Recommendation 1

Activity Funds

Applicable campus staff should maintain a thorough understanding of activity funds policies and procedures established in the *DISD Activity Funds Manual*, *DISD Board of Control Handbook*, and *DISD Staff/Sponsor Handbook* to ensure compliance. The principal should also ensure that campus personnel responsible for activity funds are proficient in these policies and procedures and that they are followed. More specific recommendations are outlined below:

1. The BOC must meet a minimum of once per month during the year to ensure that activity funds are managed in accordance with District approved guidelines and procedures, and board policies. All activities resulting in the collection or disbursement of funds should be reviewed and approved by the BOC.
2. The principal, office manager, financial clerk, and sponsors/staff should determine areas where the campus is expecting to collect activity funds at the beginning of each year and monitor accordingly. The principal, principal designee, bookkeeper, and sponsors/staff must complete the activity funds training quiz with a passing score prior to handling cash. Activity Fund Balance Reports should be reviewed and reconciled on a monthly basis. Bookkeepers should continue to run the reports monthly for campus documentation and BOC meetings.
3. Proper segregation of duties should be implemented to ensure cash collected is deposited. A sponsor should be collecting cash and recording the collections on the tabulation of monies form. The financial clerk should be verifying the cash collected on the tabulation of monies forms and entering the receipts into Oracle daily. Dual signatures should be provided on the Oracle receipt to verify all funds collected were entered into Oracle accordingly. The office manager could serve as a reviewer for cash collections and deposits.
4. Explore payment platform options which may be more user friendly and familiar to staff, students, and parents without sacrificing necessary controls. When exploring options, consider unifying the online payment platform with the other platforms used across the District such as GoFan and My School Bucks, to minimize fees, streamline oversight, enhance familiarity, etc. In the meantime, implement, utilize, and promote RevTrak's capabilities such as QR codes, which are not currently being widely utilized across campuses.
5. Fundraiser reports can be generated from Laserfiche to monitor that approvals and recaps are submitted accordingly. Fundraiser permission forms and the Financial recap forms should be reviewed, and fundraiser profitability should be evaluated.
6. Gifts and donations may be received by a campus and deposited into a campus activity fund account in accordance with Board Policies CDC (Local) and CDC (Regulation). All donations must be approved by the principal, executive director, and the Board of Trustees as required. All donations must be reported to the Partnership and Volunteer Engagement

Department by the staff member that collected the funds. Donations are to be recorded under campus activity fund accounts and disbursed according to donor intent.

Risk Level for Observation 1: High¹

Conclusion

Overall, controls are in place to manage and monitor activity funds; however, there was a breakdown in these controls as campus personnel did not follow established policies and procedures for activity funds. Implementation of the recommendations in this report would assist the District to better ensure compliance with activity funds management.

We would like to thank New Tech HS and FASC personnel for their cooperation and assistance with this audit.

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Those standards require OIA to plan and perform the audit to obtain sufficient, reliable, and relevant evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

Robert Rubel

Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Cc: Pamela Lear, Ed.D., Deputy Superintendent of Staff and Accountability
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Osvaldo Alonso, CFE, Auditor II
Ashton Loyd, MBA, Auditor I

¹ See Attachment 1 for Definition of Risk Level.

Definition of Risk Level

Risk Level	Definition
High	These risks could directly impact the achievement of critical strategic or operational objectives of the District. There is a high likelihood of occurrence, and if the event materializes, it could result in a significant negative impact on the District's financial stability, operational efficiency, ability to meet intended outcomes, reputation, or compliance, potentially exceeding the District's risk appetite.
Medium	These risks pose a moderate likelihood of occurrence and could have a notable adverse impact on important operational aspects of the District. While undesirable, the potential financial, reputational, strategic or compliance consequences are less severe than high-level risks and may approach the District's risk appetite.
Low	These risks have a low likelihood of occurrence and are expected to have a minimal impact on the District's operational efficiency, financial standing, reputation, or compliance. These risks are generally within the District's risk appetite but still warrant monitoring and may require basic controls.

Management Response

Observation 1 – Multiple instances of non-compliance with activity fund policies and procedures were identified.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

New Tech HS Management Response:

In response all New Tech staff will be required to take the activity funds training at the beginning of the school year. I will hire and train a new Financial Clerk. A new clerk is being processed by HCM as of today August 22, 2025. Our office manager will support the financial clerk with any processes needed. I will hold a weekly front office meeting to check in with the financial clerk and office manager to stay aware of front office and financial matters. BOC's have been scheduled for the 3rd Friday of each month and added to the outlook calendars of all members to ensure they are held with fidelity. The AP Mrs. Carter has been added as the designee. Payments for sums larger than 25 will be paid via RevTrack or Money Order. All senior fees will be collected via RevTrack or Money Order. All donations and fundraisers will be approved by the principal. We will research the use of GoFans and other mentioned apps for payments as another option. Principal will follow-up on all recaps to ensure completion by the financial clerk. ID badges and other fees will be collected by trained staff and duties will be assigned to specific staff members for collection of ID badges, parking fees and pouch fees.

Estimated Implementation Date: January 5, 2026

Individuals responsible for implementation:

Channel Hutchinson, Principal

Pamela Mitchell Office Manager

Michelle Carter, Assistant Principal

Financial Clerk and other office staff and teachers where applicable.