



Escambia County
PUBLIC SCHOOLS

District-Wide Report of School Internal Accounts

For the year ended June 30, 2025

Office of Internal Auditing
October 2025

McKenzie Lane, CFE
Director – Internal Auditing

Preface

The Office of Internal Auditing serves to improve the fiscal accountability and enhance the public's perception of the management and operations of the Escambia County School District. This engagement strives to meet those objectives and align with the District's strategic goals by ensuring effective stewardship of internal funds.

Audits, reviews, and other engagements are determined through a District-wide risk assessment process and are incorporated into the annual work plan of the Office of Internal Auditing, as approved by the Audit Committee. Other assignments are also undertaken at the request of District management.

This engagement was conducted with the full cooperation of District operational staff and other District personnel.

Any recommendations included in this engagement are designed to improve operations and serve as the basis for informed discussions related to policies and procedures.

This engagement was conducted in accordance with the 2024 Global Internal Audit Standards issued by the Institute of Internal Auditors, which establish the principles and expectations for the professional practice of internal auditing.

We thank the principals, assistant principals, bookkeepers, secretaries, and various support personnel throughout the District for their cooperation and commitment.

Executive Summary

We have audited the internal accounts of the Escambia County School District's (the District) schools for the year ended June 30, 2025. These accounts are included as agency funds in the School Board's annual financial reports. These accounts and the annual financial statements are the responsibility of District management.

Based on a rotating audit schedule, each year District schools receive either a "full" audit (including extensive testing of transactions), or a "limited" audit, where only certain procedures are performed (such as obtaining third-party confirmation for all cash and investment accounts and reconciliation of bank statements and confirmations). Once all audits are complete, the financial information for all schools is then combined and presented in this report. In addition, compliance matters which were noted at numerous individual schools are summarized and communicated in the Detailed Results section below.

As of June 30, 2024, the 50 schools' internal accounts totaled \$4.25 million. There have been no other school additions or closures since the previous audit. For all schools, a total of \$7.82 million in net receipts were received and \$7.57 million in adjusted disbursements (disbursements plus net journal entries) were made, which resulted in an **ending balance as of June 30, 2025 of \$4.50 million for the 50 schools.**

We concluded the transactions included in the schools' internal accounts were generally consistent with applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. In addition, we determined the schools' financial records reconcile with bank statements and independent bank confirmations.

We determined the internal controls established by the District appear comprehensive, adequate, and effective. During our audit, we did become aware of matters that present opportunities for strengthening internal controls, increasing operating efficiencies, and/or assuring compliance with applicable laws, rules, regulations, policies and/or procedures. We feel these matters have risen to the level where it is necessary to bring them to management's attention. The matters are discussed in the Detailed Results section below.

We have communicated the audit results with various school-based and District-level personnel during the performance of our audits. We recommend District management continue to provide training and assistance to bookkeepers, including training related to matters discussed in the Detailed Results section below.

This report contains recommendations. The Executive Summary is intended to highlight the various aspects of the report. The full report should be read to understand the basis of our recommendations. We will follow-up on these recommendations during the subsequent school year.

Background

School internal funds are defined in the Internal Funds Policy Manual (the Manual) as “all monies collected and disbursed by school personnel within a school, for the benefit of the school, or a school sponsored activity.” As further explained in the Manual, “School internal funds shall be used to supplement activities approved by the school board when the District budgetary funds are not available or have been exhausted.” More plainly, internal funds include everything from money found on campus to collections from ticket sales for athletic events.

Each year, our office audits these internal accounts, based on authority granted in accordance with Florida Statute 1011.42, the Florida Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools (Redbook), and the Charter for the Office of Internal Auditing.

These accounts are comprised of the individual account balances of 50 public schools and centers located within Escambia County, Florida. These schools and centers are governed by the Escambia County School District’s School Board, which consists of five elected members, representing five geographical districts in the county. The Superintendent of Schools serves as the executive officer of the School Board.

Historically, the Superintendent has been elected by the voters of the county. In 2016, the voters voted to change from an elected superintendent to a superintendent hired and appointed by the Board. This change took effect in November 2020.

In accordance with Florida Statutes, school internal accounts are accounted for as an agency fund. This fund is organized into sub-funds that represent the individual schools and centers within the District. Each sub-fund is divided into seven classifications: Athletics, Music, Classes, Clubs, Departments, Trusts, and General. Not all schools utilize all classifications.

At year-end, the accounts are adjusted to the accrual basis for inclusion in the District's annual financial report. Given that students are released

in late May, and almost all revenue and expenditures in internal accounts are generated from student activity, there are usually no material accounts payable or receivable as of the fiscal year ended June 30.

Any material accounts payable or receivable are the result of activity between the individual schools and the District. The net payable to the District from school internal accounts was \$72,476 and \$39,180 for the years ended June 30, 2024 and 2025, respectively.

The internal accounts of the schools in the District are governed by Chapter 8 of the State Board of Education Rules (Chapter 8), Florida Statutes, School Board policy, and various policies and procedures established by the operating management of the District.

Much of the governing policies are incorporated into the Manual. A copy of the Manual is made available to operating management and to bookkeepers who are responsible for school internal accounts.

Outside support organizations (school booster clubs, parent teacher associations, etc.) affiliated with the District's schools that operate independent of a school's internal accounts **are not included** in this report and **are not audited** by the Office of Internal Auditing. It is estimated that approximately \$3 million flows through outside support organizations annually, which would otherwise flow through school internal accounts.

The activity of the Escambia County Public Schools Foundation (ECPSF), which is a separate not-for-profit direct support organization, with a separate board of directors, does not flow through District school internal accounts. As such, funds held by ECPSF on behalf of the schools as of June 30, 2025, **are not included** in this report and are **not audited** by the Office of Internal Auditing.

Objective

The purpose of this report is to compile the financial information for all schools and centers in the District, and to document any compliance violations that were pervasive throughout all schools that received a "full" audit.

We believe our audits provide a reasonable basis for our opinion, findings, and recommendations.

Scope

Florida Statute 1011.07 states that the School Board is responsible for the administration and control of school's internal accounts. The Redbook requires school boards to provide for an annual audit of those accounts. Pursuant to this rule, we have audited the financial transactions of the internal accounts of the District's schools as of and for the fiscal year ended June 30, 2025. These accounts are the responsibility of the individual principals at each school. Oversight of these accounts and the annual financial statements are the responsibility of District management.

Methodology

Based on a rotating audit schedule, each year District schools receive either a "full" audit (including extensive testing of transactions), or a "limited" audit, where only certain procedures are performed (such as obtaining third-party confirmation for all cash and investment accounts and reconciliation of bank statements and confirmations). For the year ended June 30, 2025, 20 schools were selected for "full" audits.

Each individual school audit consists of three phases: planning, fieldwork, and reporting.

The planning phase includes steps taken by the auditor to familiarize himself or herself with the school, and to determine their approach to the audit. The fieldwork phase involves the application of testing procedures to the financial records of the school. Finally, the reporting phase consists of communicating the results of the audit to the relevant parties in an easily readable and understandable format. Each phase consists of specific steps taken to ensure an audit is done in accordance with professional standards and currently accepted practices. Any limitations or deviations from the requirements are documented, and alternative actions are conducted.

Detailed Results

Audit Comments

Our testing indicated that there were six matters that were significant enough to be brought to management's attention.

Request for Purchase forms

Of the 20 schools that received “full” audits, 6 (30.00%) had multiple instances where Request for Purchase forms were not properly completed or present.

Section VIII, D.1, of the Manual states, “No disbursement shall be made without the prior written approval of the Principal.... ‘Prior approval’ may consist of a properly completed Purchase Requisition/Request for Purchase Order form (RFP).”

Prior Written Approval for Purchases

Of the 20 schools that received “full” audits, 6 (30.00%) had multiple instances where purchases were made prior to the principal’s written approval date, as evidenced on the approval forms for both check requests and credit card purchase requests.

Section VIII, A.1, of the Manual states, “All disbursements require prior written approval of the Principal or his/her designated representative. ‘Prior written approval’ may consist of a properly completed Purchase Requisition/Request for Purchase Order. This must be done BEFORE the item is ordered and funds are obligated.” In the case of credit card purchases, the Request Purchase Utilizing Purchasing Card approval form should be used.

Receipt of Goods

Of the 20 schools that received “full” audits, 7 (35.00%) had multiple instances where invoices/packing slips used as supporting documentation for expenditures did not include evidence indicating receipt of goods. This evidence would include a signature and initials indicating verification of the quantity of the items ordered, and a date indicating when the goods were received.

Section VIII, D.4, (e) of the Manual states, “When the items purchased are received, the goods should be checked to ensure the items are correct and not damaged. The person receiving the items should initial and date the receiving slip or invoice to document their review and that all items ordered were received.”

This is a repeat comment from previous district-wide reports:

2023-2024 Percentage of Schools – 30.43%

2022-2023 Percentage of Schools – 60.71%

2021-2022 Percentage of Schools – 38.10%

Request Purchase Utilizing Purchasing Card forms

Of the 20 schools that received “full” audits, 4 (20.00%) had multiple instances where Request Purchase Utilizing Purchasing Card forms were not properly completed or present.

Chapter 8 Section III, 4.3 of the State Board of Education Rules states, "Each fundraising activity shall be planned to finance a specific objective. Each fundraising activity shall have the approval of the organization sponsor and the principal."

Section VIII, E.2 (b), (f) of the Manual states, "All purchases must be listed on the Request Purchase Utilizing Purchasing Card form and approved by the Principal prior to the purchase...If another person is making an order over the internet or phone then the 'Authorization to Assign to Another Person to Make this Purchase' section must be filled out and signed by the cardholder... this can be for multiple vendors for one project (i.e. 5th Grade Banquet, Band Trip, etc.)."

Credit Card Sign In/Out Log

Of the 20 schools that received "full" audits, 4 (20.00%) had multiple instances where documentation of the signing-in/out of credit cards was not properly completed.

Section VIII. E.2(i) of the Manual states, "Purchase Cards must be locked up by the card manager. When a purchasing request has been approved, the card will be signed out to the cardholder and must be signed back in within 2 days after the purchase date, unless prior approval has been given by the Principal to keep the card for an extended period of time due to a particular purpose. The card should not be checked out for the entire school year, but rather for each purchase."

This is a repeat comment from previous district-wide reports:

2023-2024 Percentage of Schools – 30.43%

2022-2023 Percentage of Schools – 50.00%

2021-2022 Percentage of Schools – 33.33%

Gift Cards – Properly Handled

Of the 20 schools that received "full" audits, 4 (20.00%) had multiple instances where gift cards were not properly handled.

Section IV, M.2 of the Manual states, "Gift cards can Not be purchased: a) With a P-card, b) As a holiday or other gift for employees, students, etc. EXCEPTION: Faculty and Hospitality funds may be used to purchase gift cards..." Section IV, M.1 states, "Gift cards may be purchased for student incentives or from the faculty funds. Gift cards must have a face value of \$50.00 or less. A face value greater than \$50.00 must have prior approval from the Internal Funds Department."

Other Matters

Our testing also indicated a matter, which may or may not be an exception included in the audit findings cited above, we feel should be brought to the attention of District management.

Vending Commissions

There were multiple instances where vending commission checks were improperly recorded to an account irrelevant to the location of the vending machine.

Section IV, I.3 (b) of the Manual states, “Profits earned from these vending machines must be deposited into school internal funds, credited to pre-designated accounts, appropriate for the corresponding location of the vending machine, and determined by the principal and staff member(s) who sponsor the vending machine(s).”

Opinion

Our responsibility is to express an opinion on the compliance of the transactions included in the accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board, and to determine if the schools’ financial records reconcile with corresponding bank statements and independent bank confirmations. During our evaluation, we also assessed the adequacy and effectiveness of the schools’ system of internal controls.

In our opinion, the majority of transactions included in the schools’ internal accounts where a full audit was performed were generally consistent with applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. In addition, we determined the schools’ financial records reconcile with bank statements and independent bank confirmations.

We determined the internal controls established by the District appear comprehensive, adequate, and effective. During our audit, we did become aware of matters that present opportunities for strengthening internal controls, increasing operating efficiencies, and/or assuring compliance with applicable laws, rules, regulations, policies and/or procedures. These matters are communicated in the Detailed Results section.

Recommendations

The District provides specialized training throughout the year, and issues various reminders to bookkeepers via e-mail. **We encourage the District to continue to provide this training, and to include training specifically related to the following matters identified as a finding at multiple schools:**

- Completion of Request for Purchase forms
- Documenting Prior Approval for Purchases
- Recording Receipt of Goods on Purchase Documents
- Completion of Request Purchase Utilizing Purchasing Card form
- Maintenance of Credit Card Sign In/Out Logs
- Proper handling of Gift Cards

Risk Prioritization: 1 of 2

Risk Significance: Moderate

Other Matters

Vending Commissions

To ensure schools are properly posting vending commissions to the appropriate account, **we recommend the District assist school administration in identifying accounts for posting these commissions.**

Risk Prioritization: 2 of 2

Risk Significance: Moderate

Appendix A – Financial Information

ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
 SCHOOL INTERNAL ACCOUNTS - ELEMENTARY SCHOOLS
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET JOURNAL ENTRIES
 FOR THE YEAR ENDED JUNE 30, 2025

ELEMENTARY	AUDITED BEGINNING BALANCE 7/1/2024	PRIOR YEAR ADJUSTMENT	RECEIPTS	DISBURSEMENTS	NET JOURNAL ENTRIES	ADJUSTED DISBURSEMENTS	AUDITED ENDING BALANCE 6/30/2025
A.K. Suter	\$ 28,787.43	\$ -	\$ 60,067.98	\$ 21,201.16	\$ 42,533.29	\$ 63,734.45	\$ 25,120.96
Bellview	16,294.95	-	121,324.47	89,967.85	33,506.80	123,474.65	14,144.77
Beulah Elem	107,294.76	-	34,303.84	18,457.37	8,299.75	26,757.12	114,841.48
Blue Angels	78,779.91	-	58,649.77	15,212.23	45,509.98	60,722.21	76,707.47
Bratt	67,665.25	-	119,705.63	105,782.64	19,226.20	125,008.84	62,362.04
Brentwood	11,530.36	-	22,184.10	14,786.39	10,604.75	25,391.14	8,323.32
C.A. Weis	6,589.78	-	7,638.09	1,748.36	7,595.72	9,344.08	4,883.79
Cordova Park	56,527.00	-	48,752.09	18,739.25	34,580.55	53,319.80	51,959.29
Ensley	38,877.92	-	99,857.78	92,083.88	8,067.26	100,151.14	38,584.56
Ferry Pass Elem	10,106.30	-	26,946.77	15,144.90	11,512.55	26,657.45	10,395.62
Global Learning	11,242.37	-	95,264.31	65,559.45	19,528.49	85,087.94	21,418.74
Hellen Caro	67,620.15	-	47,204.77	5,539.29	46,762.19	52,301.48	62,523.44
Jim Allen	21,831.86	-	60,887.31	15,239.54	39,446.15	54,685.69	28,033.48
Kingsfield	83,987.70	-	47,422.20	18,613.01	26,269.11	44,882.12	86,527.78
L.D. McArthur	75,055.27	-	210,048.99	184,326.37	28,787.65	213,114.02	71,990.24
Lincoln Park	6,319.11	-	7,192.54	1,062.75	7,424.29	8,487.04	5,024.61
Longleaf	18,522.65	-	22,967.31	11,399.48	15,063.32	26,462.80	15,027.16
Molino Park	23,472.67	-	62,820.39	15,841.38	22,650.60	38,491.98	47,801.08
Montclair	17,920.73	-	11,493.59	306.80	18,499.76	18,806.56	10,607.76
Myrtle Grove	14,400.71	-	10,726.20	1,203.28	10,154.49	11,357.77	13,769.14
N.B. Cook	87,024.37	-	72,916.66	18,142.03	45,063.21	63,205.24	96,735.79
Navy Point	60,946.88	-	22,360.11	4,931.22	18,693.85	23,625.07	59,681.92
O.J. Semmes	34,848.50	-	16,407.84	7,914.28	5,200.25	13,114.53	38,141.81
Oakcrest	12,751.86	-	13,654.94	8,105.59	4,335.40	12,440.99	13,965.81
Pine Meadow	116,382.90	-	27,835.86	3,185.86	20,121.30	23,307.16	120,911.60
Pleasant Grove	46,545.18	-	38,320.88	6,884.31	31,659.66	38,543.97	46,322.09
R.C. Lipscomb	150,649.46	-	64,107.02	31,232.11	53,651.66	84,883.77	129,872.71
Reinhardt Holm	23,943.53	-	14,406.59	1,941.96	10,767.65	12,709.61	25,640.51
Scenic Heights	72,816.16	-	39,309.74	17,720.48	14,325.34	32,045.82	80,080.08
Sherwood	22,106.61	-	37,636.07	4,868.75	27,417.45	32,286.20	27,456.48
Warrington Elem	15,833.90	-	4,896.21	461.51	5,461.18	5,922.69	14,807.42
West Pensacola	16,915.15	-	15,474.74	4,948.47	13,833.28	18,781.75	13,608.14
TOTAL ELEMENTARY	\$ 1,423,591.38	\$ -	\$ 1,542,784.79	\$ 822,551.95	\$ 706,553.13	\$ 1,529,105.08	\$ 1,437,271.09

Appendix A – Financial Information (continued)

ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
 SCHOOL INTERNAL ACCOUNTS - SECONDARY SCHOOLS & CENTERS
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET JOURNAL ENTRIES
 FOR THE YEAR ENDED JUNE 30, 2025

SECONDARY	AUDITED BEGINNING BALANCE 7/1/2024	PRIOR YEAR ADJUSTMENT	RECEIPTS	DISBURSEMENTS	NET JOURNAL ENTRIES	ADJUSTED DISBURSEMENTS	AUDITED ENDING BALANCE 6/30/2025
Bellview Middle	\$ 30,205.56	\$ -	\$ 21,377.42	\$ 7,953.60	\$ 19,939.31	\$ 27,892.91	\$ 23,690.07
Beulah Middle	49,219.70	-	172,943.50	30,940.89	111,215.56	142,156.45	80,006.75
Brown Barge Middle	37,280.42	-	144,180.10	52,002.63	51,173.88	103,176.51	78,284.01
Ernest Ward Middle	36,146.15	-	80,879.69	26,882.01	25,915.20	52,797.21	64,228.63
Ferry Pass Middle	89,883.47	-	74,036.43	15,270.61	60,958.75	76,229.36	87,690.54
J.H. Workman Middle	34,385.18	-	36,985.08	16,321.24	18,049.32	34,370.56	36,999.70
James C. Bailey Middle	113,472.18	-	72,453.80	11,943.58	75,272.05	87,215.63	98,710.35
Ransom Middle	63,136.57	-	103,585.99	37,067.16	50,704.00	87,771.16	78,951.40
B.T. Washington High	366,290.48	-	573,846.92	211,818.83	350,578.70	562,397.53	377,739.87
Escambia High	296,240.52	-	425,022.53	147,454.08	220,236.93	367,691.01	353,572.04
J.M. Tate High	713,672.03	-	1,174,877.65	492,891.32	676,985.37	1,169,876.69	718,672.99
Northview High	204,633.71	-	415,271.14	197,310.21	202,930.33	400,240.54	219,664.31
Pensacola High	198,370.48	-	442,741.97	203,696.97	238,220.45	441,917.42	199,195.03
Pine Forest High	115,972.91	-	439,313.67	168,543.21	208,468.19	377,011.40	178,275.18
West Florida Tech. High	333,791.84	-	855,213.95	358,175.11	537,629.36	895,804.47	293,201.32
TOTAL SECONDARY	\$ 2,682,701.20	\$ -	\$ 5,032,729.84	\$ 1,978,271.45	\$ 2,848,277.40	\$4,826,548.85	\$ 2,888,882.19
CENTER							
Escambia Westgate	\$ 67,701.43	-	25,781.62	6,626.39	20,611.68	27,238.07	\$ 66,244.98
George Stone	76,542.00	-	1,209,952.90	1,048,106.41	130,160.81	1,178,267.22	108,227.68
Success Academy	778.53	-	9,867.91	2,583.31	6,875.48	9,458.79	1,187.65
TOTAL CENTERS	\$ 145,021.96	\$ -	\$ 1,245,602.43	\$ 1,057,316.11	\$ 157,647.97	\$1,214,964.08	\$ 175,660.31
TOTAL ALL LOCATIONS	\$ 4,251,314.54	\$ -	\$ 7,821,117.06	\$ 3,858,139.51	\$ 3,712,478.50	\$7,570,618.01	\$ 4,501,813.59

Appendix B – Risk Rating

Risk Rating	Criteria
High	<p>Significant internal control or risk management concern that if not corrected or mitigated could lead to serious consequences.</p> <p>Immediate attention from Escambia County School District personnel required.</p>
Moderate	<p>Minor procedural lapses, internal control gaps, and/or failure of defined controls which could lead adverse impacts.</p> <p>Timely attention from Escambia County School District personnel is warranted.</p>
Low	<p>Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited, or conformance to best practices.</p> <p>Routine attention from Escambia County School District personnel is warranted.</p>

The IIA's 2024 Global Internal Audit Standards requires internal auditors to "prioritize each engagement finding based on its significance, using methodologies established by the chief audit executive."

Management Response



Memorandum

To: McKenzie Lane
Director, Internal Auditing

From: Debbie Fussell 
Director, Accounting Operations

Date: November 4, 2025

Subject: 2024-2025 District-Wide Report of School Internal Funds

The comments noted in the audit report are basic procedures that are included in training sessions offered to secretaries and bookkeepers throughout the school year. As an additional measure, the financial analyst meets with each school who receives audit comments to discuss each finding and to assist the bookkeeper/secretary resolve the issues. The district will continue to provide training opportunities and individual assistance as needed to help schools achieve compliance with the Internal Funds Policies and Procedures.

We appreciate your support and professionalism.

**Agenda Item Details**

Meeting	Nov 18, 2025 - REGULAR MEETING AGENDA (5:30 PM)
Category	45. Internal Auditing
Subject	A. A. District-Wide Audit of School Internal Accounts
Type	Action, Reports
Fiscal Impact	No
Budgeted	No
Recommended Action	Acceptance of the audit report.

Each year, we audit the internal accounts of the schools. As part of this process, a sample of schools receive audits with full procedures (financial and compliance), with the remaining schools receiving audits with limited procedures. Audits receiving full procedures are presented to the Board individually. Audits receiving limited procedures are included in the District-wide report. All audited schools are then combined into a District-wide audit report on internal accounts. This audit has been presented to and accepted by the Audit Committee, a standing committee of the Board. The audit is being presented to the Board for their review and entry into the minutes.

 [Report - District-Wide - 2024-2025 - Final with Response.pdf \(550 KB\)](#)

Motion & Voting

Acceptance of the audit report.

Motion by David Williams, second by Carissa Bergosh.

Final Resolution: Motion Carries

Yes: Kevin Adams, Paul Fetsko, David Williams, Carissa Bergosh, Tom Harrell

Workflow

Workflow Nov 5, 2025 1:48 PM :: Submitted by Jeanne Pilgrim. Routed to David Bryant for approval.

Nov 5, 2025 1:49 PM :: Forced Approval by Elisabeth Buswell as the document publisher.

Last Modified by Holley DeWees on November 18, 2025