



Escambia County
PUBLIC SCHOOLS

Kingsfield Elementary School
Audit of School Internal Accounts
For the year ended June 30, 2025

Office of Internal Auditing
October 2025

McKenzie Lane, CFE
Director – Internal Auditing

Audit Team:
Sara Heuer
Audit Intern

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 Kingsfield Elementary School 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

Kingsfield received a full audit for the 2024-2025 fiscal year.

Our office audits the internal accounts of the District's schools annually. The authority to conduct these audits is granted by the School Board of Escambia County in the Charter for the Office of Internal Auditing.

These audits are conducted on a rotating basis with a sample of schools receiving "full" audits each year, and the other schools receiving "limited" audits. For each full audit, extensive testing procedures are applied to internal funds accounts. Limited audits include cash procedures and reconciliation to independent bank confirmations. For the 2024-2025 fiscal year, Kingsfield Elementary School (Kingsfield) received a full audit. This report documents the results of the audit.

The purpose of our audit was to determine whether the financial information reported in the internal accounts reconciles with bank statements and corresponding independent bank confirmations, and to determine compliance of transactions included in those same internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. We also sought to determine whether any instances of non-compliance were severe enough to render the financial information reported by the school unreliable. We believe our audit provides a reasonable basis for our conclusion, findings, and recommendations. This engagement adds value by promoting sound financial management, supporting compliance with policies and laws, and strengthening accountability at the school level.

Minor instances of non-compliance are documented in the audit field notes.

We noted some minor instances of violation of Board Policies and Florida Statutes. These matters were documented and provided to the principal and bookkeeper.

Our testing resulted in four audit findings.

Our testing resulted in four audit findings:

- Sales tax on purchases was not properly handled.
- Gift cards were not properly handled.
- Direct payments from internal accounts were made to District employees.
- Internal funds were utilized when budgeted funds were available.

The school's overall fund balance as of June 30, 2025 was \$86,527.78.

The overall fund balance reported by the school at June 30, 2025 was \$86,527.78. We have determined that the financial information reported by the school reconciles with bank statements and independent bank confirmations.

The majority of transactions included in the school’s internal accounts were processed in accordance with applicable policies and procedures.

We concluded that the majority of transactions included in the school’s internal accounts were processed in accordance with all applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board.

We have also determined that the instances of non-compliance noted above and elsewhere in this report do not have a material effect and are not severe enough to render the financial information unreliable.

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 approximately 90 days after the school’s exit conference.

Background

Outside support organizations are not included in this report and are not audited by our office.

Each year, our office audits the District’s schools’ internal accounts. The authority to conduct these audits is granted by the School Board of Escambia County in the Charter for the Office of Internal Auditing.

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, District schools receive either a “full” audit (including all procedures listed in the Methodology section below), 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 2024-2025 fiscal year, Kingsfield received a full audit.

Outside support organizations (school booster clubs and parent teacher associations) affiliated with this school 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.

School Administration has been consistent for several years.

Kingsfield last received a full audit in the 2021-2022 fiscal year. There was one matter that rose to the level of audit findings. This finding was related to the lack of receipt of goods evidence, which was determined to be addressed adequately during a subsequent follow-up audit.

The school has had the same principal and bookkeeper in place since the previous audit.

Objective

The purpose of our audit was to evaluate the accuracy, reliability, and compliance of the internal funds maintained by the school for the fiscal year ended June 30, 2025. Specifically, our objectives were to determine whether the financial information reported in the school's internal accounts reconciled with corresponding bank statements and independent bank confirmations; whether transactions were processed in accordance with applicable Florida Statutes, State Board of Education Rules, and School Board policies and procedures; and whether any instances of non-compliance or internal control weaknesses were significant enough to impact the reliability of the reported financial information. We also sought to identify opportunities for operational improvements or enhancements to internal controls where appropriate. This engagement also supports the District's strategic objective of ensuring fiscal accountability at the school level.

We believe our audit provides a reasonable basis for our conclusion, findings, and recommendations.

Scope

The scope of this engagement included a full audit of the school's internal accounts as of and for the fiscal year ended June 30, 2025. This engagement focused solely on internal funds maintained at the school level and did not include an audit of external support organizations such as PTAs or booster clubs.

Audit procedures included the examination of financial records, transaction testing, evaluation of supporting documentation, and confirmation of cash and investment balances. These procedures were designed based on an engagement-level risk assessment conducted

during the planning phase, which helped guide the nature, timing, and extent of testing.

The authority to perform this audit is established by Florida Statute 1011.07, which designates the School Board as responsible for the administration and control of internal accounts, and by the Redbook, which requires an annual audit of those accounts. While each school principal is responsible for maintaining their school's internal accounts, District management retains oversight of internal account policies and the preparation of year-end financial statements.

Methodology

The audit consists of three phases: planning, fieldwork, and reporting.

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.

No known conflicts of interest were identified.

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. An independence statement is completed for each school. This statement contains the signature of each auditor certifying that there are no conflicts of interest and that they are free from bias. The internal audit team affirms that this engagement was conducted independently and objectively. **No impairments to independence or objectivity were identified.** An engagement-level risk assessment was conducted to identify and evaluate potential risks relevant to the school's internal funds. This included consideration of the school's prior audit history, recent staffing changes, the overall complexity of financial operations, and known or suspected control weaknesses. Based on this assessment, control risk for the school was determined to be moderate, and standard audit procedures were applied accordingly. If control risk is assessed at a level higher than moderate, additional procedures may be performed. The engagement risk assessment informed the development of our audit program, including the nature, timing, and extent of procedures necessary to provide reasonable assurance regarding the reliability of the school's financial

Control risk for Kingsfield has been assessed at moderate.

For our purposes, exceptions of greater than or equal to 20% of the total population may exist before an audit finding is issued.

information and compliance with applicable statutes, rules, and Board policies.

The fieldwork phase involves the application of testing procedures to the financial records of the school. While performing our testing, a percentage of transactions is allowed to contain compliance violations before it is determined to be an audit finding. For our purposes, an audit finding is a recurring issue that is present in greater than or equal to 20% of the sample. In addition, due to seriousness or materiality, a single compliance violation could also result in an audit finding. Upon the completion of fieldwork, exit conferences to discuss the results of the audit are conducted with principals and secretaries/bookkeepers, if necessary.

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. Financial information from full audits is combined with information from limited audits and compiled into a District-Wide Report on Internal Accounts.

Detailed Results

Summary of Fund Activity		
07/01/24 Cash Balance	\$	91,188.66
Total Receipts		-
Total Disbursements		(2,097.97)
Total Net Journal Entries		(2,562.91)
06/30/25 Balance, per Skyward	\$	86,527.78
Audit Adjustments		-
06/30/25 Audited Balance	\$	86,527.78
06/30/25 Cash Balance, per Confirmation(s)	\$	86,527.78
Outstanding Deposits		-
Outstanding Checks		-
Other Reconciling Items		-
06/30/25 Reconciled Balance	\$	86,527.78

General Ledger Review

Throughout the year and prior to the school's closing of their records at year end, we may review various reports, transactions, and supporting documentation of the school. The purpose of this review is

No adjusting journal entries were recommended.

to recommend adjusting journal entries, reclassifications, or other necessary actions which we feel will result in more accurate reporting and/or compliance with established rules, policies, and procedures. Any recommended entries or actions are traditionally completed prior to the close of the school's records and are therefore included in the reported June 30 financial information, unless otherwise indicated.

As a result of our fieldwork, no additional adjusting journal entries were recommended.

Minor instances of non-compliance are documented in the audit field notes.

During our fieldwork, we noted minor instances of non-compliance, which are not included in this report. We documented these matters in our audit field notes, which were provided to the bookkeeper and principal.

One finding related to proper handling of sales tax for purchases.

Findings

Sales Tax Payments

Our testing indicated that sales tax was not properly handled for purchases. Payment and/or reimbursement of sales tax was made when not required and/or permitted. Sales tax failed to be paid when required.

Section XII, A of the Manual states, "In general, all purchases made by a school which are deemed to be for educational purposes are tax exempt... The sales tax exemption cannot be used by any other organization or individual including District school board members, employees and students, except as directly related to a school purchase. The intent of this section is to identify when schools should be paying sales tax on purchases and/or on revenues collected. A general rule in determining whether sales tax should be paid on a school internal funds purchase is determined by "ownership" of the tangible personal property purchased. If the ownership passes from the school to an individual, then sales tax should be paid on the purchase unless the item is specifically tax exempt."

Section XII, C of the Manual states, "When required, the District prefers that taxes be paid directly to the vendor at the time of purchase to avoid having to file a tax return with the Florida Department of Revenue." Section IX, A(2) of the Manual states, "Sales tax cannot be reimbursed with the exception of purchases from the faculty account and items purchased for resale."

See our recommendation in the Recommendations section below.

One finding related to the improper handling of gift cards.

Gift Cards – Properly Handled

Our testing indicated gift cards were not properly handled.

One finding related to the utilization of internal funds to make direct payments to employees.

The Internal Funds Policy Manual gives specific guidelines to be followed for the handling of gift cards. Section IV, M.2 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."

See our recommendation in the Recommendations section below.

Direct Payment to Employees

Our testing indicated the school made payments from internal accounts to District employees.

The Internal Funds Policy Manual gives specific guidelines regarding direct payment to employees. Section II, F.1 of the Internal Funds Policy Manual states, "School internal funds may not be used to cash checks to accommodate individuals, make any kind of loans, pay any form of compensation directly to employees, or extend credit to District employees, school board members, outside support organizations or others."

One finding related to the utilization of budgeted funds before internal funds.

Budgeted Funds vs. Internal Funds

Our testing indicated expenses were made from internal funds when District budgeted funds were available to defray all, or a portion, of these costs. Purchases for such items from internal funds when budgeted funds are available reduces the amount of internal funds available for other intended purposes.

Chapter 8, Section III, 3.4(a) of the State Board of Education Rules states, "The following expenditures from internal funds are deemed inappropriate and shall not be made except from trust funds collected for a specifically identified purpose: Equipment, supplies, forms, and postage for curricular or classroom use" for which school board funds are available.

See our recommendation in the Recommendations section below.

Conclusion

As part of this engagement, our responsibility is to form a conclusion regarding whether transactions recorded in the school's internal accounts complied with applicable Florida Statutes, State Board of

The majority of the school's transactions were processed in accordance with all applicable policies and procedures

The financial information reconciled with bank statements and independent confirmations.

Education rules, and School Board policies and procedures, and whether the school's financial records reconciled with corresponding bank statements and independent bank confirmations. In conducting this evaluation, we also assessed the adequacy and effectiveness of internal controls relevant to the administration of internal funds.

Based on the procedures performed, we conclude that, for schools where a full audit was conducted, the majority of transactions were consistent with applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. Additionally, the financial records reconciled appropriately with independent bank confirmations and bank statements. In our evaluation, we determined the internal controls established by the District appear comprehensive, adequate, and effective in supporting the proper management of internal funds.

While we identified some areas 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 were not significant enough to affect the overall reliability of the school's reported financial information.

These observations, along with related recommendations for improvement, are detailed in the Detailed Results section of this report.

Recommendations

Review and instruct staff on policies and procedures related to sales tax.

Sales Tax on Purchases

In an effort to address the proper handling of sales tax for purchases, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedures for payment and non-payment of sales tax.**

Risk Prioritization: 4 of 4
Risk Significance: Moderate

Review and instruct staff on the policies and procedures related to restricted expenditures.

Gift Card Purchases

In an effort to address the policies regarding the purchase of gift cards, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual regarding gift card policies.**

Risk Prioritization: 3 of 4
Risk Significance: Moderate

Review policies and procedures related to budgeted funds.

Budgeted Funds vs. Internal Funds

In an effort to address the proper utilization of budgeted funds prior to internal funds, **we recommend the principal review the State Board Rules pertaining to budgeted funds and instruct school staff on the proper procedures for utilizing budgeted District funds prior to the utilization of school internal funds.**

Risk Prioritization: 2 of 4

Risk Significance: Low

Other

Supporting Documentation

Create internal document as evidence that payee is not a district employee.

In an effort to provide evidence that internal funds are not used to pay a district employee for certain services (e.g. security officer), **we recommend the principal and bookkeeper review the Internal Funds Policy Manual on the policies and procedures related to payment of certain services.**

In addition, we recommend the bookkeeper create an internal document that the payee would sign stating he/she is not a district employee. The bookkeeper should contact another school for their document as an example.

Risk Prioritization: 1 of 4

Risk Significance: Moderate

We will follow-up on these recommendations approximately 90 days after the school's exit conference.

Management Response



Quinn Evans
Principal

Kingsfield Elementary School
900 West Kingsfield Road
Cantonment, Florida 32533
850-937-5200



Maury Cowart
Assistant Principal

TO: McKenzie Lane, Director
Office of Internal Auditing

FROM: Quinn Evans, Principal *QE*
Kingsfield Elementary School

DATE: November 19, 2025

SUBJECT: Audit Findings for Physical Year Ending 6/30/25
Kingsfield Elementary School - Cost Center 1311

In response to the final findings report, I would like to explain the steps that will be/have been taken.

Finding 1 - Sales tax on purchases was not properly handled. For the purchase through Amazon, where sales tax is not normally included, Ms. Rhodes has learned how to have Amazon add tax when that is appropriate. For the purchase where tax was reimbursed to Ms. Rhodes, she has been in contact with Ms. Waldie concerning the proper documentation that was uploaded into Skyward at the time the check was issued.

Finding 2 and 3 - These were one incident where gift cards were purchased for District employees. Moving forward only 50 dollar gift cards will be purchased unless a higher amount is approved by Internal funds. No cards will be purchased in the future as a gift/bonus.

Finding 4 - G7000 account will not be used moving forward for items that we can purchase through our budgeted funds.

If you have any further questions, please do not hesitate to contact me.



*C7
11/20/25*

Appendix

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

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."

**Agenda Item Details**

Meeting	Dec 16, 2025 - REGULAR MEETING AGENDA (5:30 PM)
Category	45. Internal Auditing
Subject	A. 2024-2025 School Internal Accounts Audit Reports
Type	Action, Reports
Fiscal Impact	No
Budgeted	No
Recommended Action	Acceptance of the 2024-2025 school internal accounts audit reports.

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. These reports have been presented to and accepted by the Audit Committee, a standing committee of the Board. The reports are being presented to the Board for their review and entry into the minutes.

 [2024-2025 School Internal Accounts Audits - Elementary.pdf \(2,948 KB\)](#)

 [2024-2025 School Internal Accounts Audits - Secondary and Centers.pdf \(6,226 KB\)](#)

Motion & Voting

Acceptance of the 2024-2025 school internal accounts audit reports.

Motion by Paul Fetsko, second by David Williams.

Final Resolution: Motion Carries

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

Workflow

Workflow

Dec 3, 2025 11:52 AM :: Submitted by McKenzie Lane. Routed to McKenzie Lane for approval.

Dec 3, 2025 11:53 AM :: Final approval by McKenzie Lane

Last Modified by Holley DeWees on December 16, 2025