



Escambia County
PUBLIC SCHOOLS

Navy Point 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 Navy Point 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

Navy Point 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, Navy Point Elementary School (Navy Point) 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.

Two adjusting journal entries were recommended.

Our audit procedures indicated matters that required adjustment of the school's records. Two journal entries were necessary:

- To transfer the remaining balance of the Graduated Seniors account to the General account.
- To record unrecorded interest for the school's CD.

These journal entries were processed by the bookkeeper in the following school year.

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 three audit findings.

Our testing resulted in three audit findings:

- Request for Purchase forms (RFPs) were not properly completed.

The school's overall fund balance as of June 30, 2025 was \$59,681.92.

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

- The Gift Card Log was not utilized.
- Gift cards were not properly handled.

The overall fund balance reported by the school at June 30, 2025 was \$59,681.92. We have determined that the financial information reported by the school reconciles with bank statements and independent bank confirmations.

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

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

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

reconciliation of bank statements and confirmations). For the 2024-2025 fiscal year, Navy Point 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.

Navy Point Elementary last received a full audit in the 2021-2022 fiscal year. There were three matters that rose to the level of audit findings. There were findings related to the usage of prior written approval for purchases, the utilization of receipt of goods evidence, and the proper handling of deposits, which were 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.

No known conflicts of interest were identified.

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. 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**

Control risk for Navy Point 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.

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 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	\$	60,946.88
Total Receipts		22,360.11
Total Disbursements		(4,931.22)
Total Net Journal Entries		(18,693.85)
06/30/25 Balance, per Skyward	\$	59,681.92
Audit Adjustments		-
06/30/25 Audited Balance	\$	59,681.92
06/30/25 Cash Balance, per Confirmation(s)	\$	59,785.98
Outstanding Deposits		-
Outstanding Checks		(101.87)
Other Reconciling Items		(2.19)
06/30/25 Reconciled Balance	\$	59,681.92

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 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.

Two adjusting journal entries were recommended.

As a result of our fieldwork, two additional adjusting journal entries were recommended:

- To record unrecorded interest related to the A1115-002 investment account, we recommended a journal entry be processed for \$2.19.
- To transfer the remaining balance of the C3007 Graduated Seniors account to the General account, we recommended a journal entry be processed for \$18.72.

After fieldwork, but prior to the issuance of this report, the school implemented our recommendations to process all journal entries mentioned above.

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

One finding related to the improper completion of RFPs

in our audit field notes, which were provided to the bookkeeper and principal.

Findings

Request for Purchase forms

Our testing indicated Request for Purchase forms were not properly completed or present.

The Internal Funds Policy Manual, Section VIII, D.1, 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)." A properly completed RFP includes fields such as the account name and/or number to be charged and the teacher/sponsor signature.

See our recommendation in the Recommendations section below.

One finding related to the lack of utilization of the Gift Card Log.

Gift Card Log

Our testing indicated a Gift Card Log was not utilized.

The Internal Funds Policy Manual gives specific guidelines concerning the purchases of gift cards. Sections IV, M.3 through M.5 states, "Gift cards may be purchased by check payable to the vendor. If the vendor does not accept checks, the check can be payable to the bookkeeper or the requestor. The bookkeeper or the requestor can then purchase the gift cards with the funds. The appropriate account should be charged. The receipt for the gift cards must be attached to the check stub along with the Gift Card Log. A Gift Card Log should be maintained with the date purchased, purchased by, vendor, dollar amount, gift card serial number, purpose and recipient's name. The teacher must sign for the gift card when picked up, verifying receipt. The recipient must sign for the gift card when picked up, verifying receipt. The Gift Card Log should be kept with each group of gift cards. See Appendix A – Gift Card Log. Until disbursed, gift cards and log should be maintained in a secure, locked area."

See our recommendations 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.

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.

Conclusion

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.

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 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 policies and procedures related to the proper completion of RFPs.

Request for Purchase Forms

In an effort to address the improper completion or lack of RFPs, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper completion of the forms.**

Risk Prioritization: 1 of 3

Risk Significance: Moderate

Review and instruct staff on the policies and procedures related to the Gift Card Log.

Gift Card Log

In an effort to address the lack of utilizing a Gift Card Log, **we recommend the principal and the bookkeeper review the Internal Funds Policy Manual's rules regarding the utilization and maintenance of a Gift Card Log.**

Risk Prioritization: 3 of 3

Risk Significance: Moderate

Review and instruct staff on policies and procedures related to gift card purchases.

Gift Card Purchases

In an effort to address the improper purchases of gift cards using a purchasing card, **we recommend the principal and the bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper usage of P-cards.**

Risk Prioritization: 2 of 3

Risk Significance: Moderate

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

Management Response



Navy Point Elementary School

Home of the Blue Angels

1321 Patton Drive Pensacola, Florida 32507-1977

Phone: (850) 453-7415

Fax: (850) 453-7419

Dr. Monica Ford-Harris, Principal

Mr. Jacob Freeman, Assistant Principal

"Where Excellence Takes Flight!"

Memorandum

To: McKenzie Lane
Director of Internal Auditing

From: Dr. Monica Ford-Harris, Principal
Navy Point Elementary School

Date: November 20, 2025

Subject: Audit of School Internal Accounts Findings (2024-2025)

During the 2024-2025 audit of Navy Point's internal accounts three findings were noted.

- Request for Purchase Forms
- Gift Card Purchases
- Gift Card Log

The secretary and I have spent time reviewing the Internal Funds Policy Manual. We also requested and received clarifying information regarding the Request for Purchase Forms. The forms noted in the findings were primarily used for reimbursement for library books to other schools. We failed to have the account manager/sponsor sign and had only the principal sign for the approval. Effective immediately we will have all account managers/sponsors sign the form as well.

We were informed by the Foundations Office that we could use donated funds to purchase incentives for teachers, staff, students and parents. We used the internal purchasing card at Walmart to make these transactions with receipts kept as documentation. A requisition form was completed for all gift card purchases in advance. However, after review of the Internal Funds Manual we now know that prior approval from the district is required regardless of the funding source and a check must be used to make the purchase.

The gift cards were purchased and handed out as part of a monthly attendance incentive raffle for faculty and staff members. Since the cards were passed out immediately upon purchase, we failed to complete the gift card log. Since the cards were not being kept overnight we were under the impression that the log was not necessary. However, we now understand that all gift cards must be logged regardless of the distribution timeframe.

As principal at Navy Point, I am committed to ensuring that the noted corrections are made.

Sincerely,

Monica Ford-Harris

Monica Ford-Harris, Principal

CF
11/21/25

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