

Internal Audit Report



Management of School Activity Funds

Abney Elementary School

October 20, 2026

Office of Internal Audit

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Summary

In accordance with the Internal Audit Plan, an audit was conducted on Abney Elementary of School Activity Funds (Deposits and Disbursements) from July 1, 2025 – June 30, 2026. Based on the audit scope and the tests performed, except for the two weaknesses identified below, we can provide reasonable assurance that controls are operating effectively and compliance with stated policies of the St. Tammany Parish School Board.

Our audit noted weaknesses over the following:

- Internal Controls over Banking Policy
- Internal Controls over Contract Policy

Background

This audit was initiated due to the change in personnel with a new bookkeeper. The last audit of this site was conducted in April of 2025. Abney Elementary (ABES) School is located in Slidell, Louisiana and provides services to approximately 939 first through fifth grade students. The St. Tammany Parish School Board (STPSB) employs individuals to work at ABES. The management structure of ABES includes a Principal (newly appointed for FY26) and two Assistant Principals with the bookkeeper reporting to the Principal. Public schools in Louisiana are supported primarily by state funding and local taxes. In addition to this funding, individual schools generate additional revenues from other sources such as fundraisers and other school activities. These revenues, known as Student Activity Funds, supplement the instructional program, contribute to the educational experiences of the students and benefit the general welfare of the school. The management of the Student Activity Funds is decentralized with oversight at the level of the Principal. Financial policies and procedures governing the management of the Student Activity Funds have been developed by STPSB and are updated annually and promulgated to all key school personnel.

Audit Scope and Objectives

The audit was conducted to assess the effectiveness of internal controls and compliance with school board policies found in the STPSB School Finance Handbook (Administrative Guidelines/Best Practices for School Activity Funds Accounting). The objectives of the audit were to obtain and document an understanding of the internal

controls and compliance with School Board policies sufficient to support a low assessed level of control risk over student activity funds.

Audit Methodology

The audit was planned to obtain sufficient, relevant, reliable evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal audit believes the evidence obtained provides a reasonable basis for the findings and conclusions.

An understanding of significant internal controls within the audit objective and assessment of whether those controls were properly designed and operational was obtained. To assess the effectiveness of controls, the STPSB policies and procedures were relied on.

Audit methodology included reviewing a random sample of financial records of ABES, and interviewing the school bookkeeper. Documents that were reviewed during testing included supporting documentation for a combined fourteen deposit and disbursement transactions. This documentation included but was not limited to invoices, receipts, bank records, purchase authorization forms, bank reconciliations, and bank statements.

Transaction total amounts tested for the period 7/1/2025 through 6/30/2026 were as follows:

- \$ 65,125 in deposits (79% of deposit population total)
- \$13,056 in disbursements (22% of disbursement population total)

Observations, Recommendations & Responses

Internal Audit tested and documented the details of the findings and recommendations to strengthen internal controls and compliance with the School Board's policies and procedures over Student Activity Funds.

Deposits Observations

1. Internal Controls over Banking Policy

Deposit of \$1,048.71 dated 2/6/26 should have been made once the total reached \$1,000, on 2/3/26.

Deposit of \$17,362.26 dated 8/22/25 was held for two days before turning in to the bookkeeper to deposit, then held another day before depositing.

Deposit of \$13,929.75 dated 2/11/26 should have been made the day it was received, 2/10/26.

Deposit of \$18,490.51 dated 5/1/26 should have been made the day it was received, 4/28/26.

Recommendation

The STPSB Fund Collection policy should be reviewed with all staff to turn in any funds collected to the bookkeeper the same day received. Additionally, deposits need to be made once the receipts total \$1,000.

Management Response/Action Plan:

Reviewed policy with current bookkeeper to turn in day of if amount totals over \$1,000.

Disbursements Observations

2. Internal Controls over Contracts

One disbursement dated 8/22/25 in the amount of \$8,642.92 to Gobert Enterprises, Inc. was for a contract signed by the principal. Upon investigating, discovered this was a two-phase project initiated by the prior principal in FY25. Per STPSB policy, as a result of Act 370, the only person who can sign a contract obligating the school is the Superintendent.

Recommendation:

Forward all contracts to Central Office for approval.

Management Response/Action Plan:

I am aware that contracts need to be signed by the superintendent. I think this was an overlap between outgoing and incoming principals. All contracts must go to the superintendent's office first.

Distribution List

Steve Alfonso, Interim Superintendent
Terri Prevost, Chief Financial Officer
Nicole Gagnard, Principal