

Internal Audit Department
Summary of Business Process Reviews
School Year Fall 2016-2017



Savannah-Chatham County Public School System

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Executive Summary

The Internal Audit Department has completed Business Process Reviews at ten schools. The scope of the reviews was from July 1, 2015 – June 15, 2016.

Area of Findings – Percent of Transactions

School Name	Total Findings (All Areas)	Purchasing/ AP Error Rate	SAF Error Rate	Student Data Error Rate	Purchase Cards Error Rate
Beach High School	36	30%	13%	57%	43%
Gould Elementary School	50	100%	30%	92%	NT
Groves High School	17	34%	0%	23%	NT
Isle of Hope K-8 School	13	10%	17%	17%	0%
J.G. Smith Elementary School	7	0%	7%	7%	20%
Largo-Tibet Elementary School	62	63%	30%	100%	40%
Marshpoint Elementary School	2	0%	0%	7%	NT
Rice Creek School	21	0%	50%	20%	0%
Savannah Arts Academy	11	3%	3%	88%	13%
Southwest Elementary School	35	90%	13%	7%	33%

NT = Not Tested

A Summary of Review Findings for the current period for all schools in this report can be located on page 5. Responses to these findings can be located in the Appendix section (pages 11-57).

Objectives, Scope and Methodology

- The objectives of the reviews were to test internal controls for the business processes at designated schools, and to provide the principal with feedback on how to strengthen controls based on findings (initial review) or on changes implemented as a result of the original review.
- The scope of the reviews was dependent on the type of report conducted. For an initial report, the previous year data was tested to identify weaknesses in the internal controls from the previous leadership. A follow-up review is completed approximately 90-120 days after the initial review; it includes transactions completed after the initial review. The purpose of the follow-up review is to determine if changes were made to strengthen the internal control weaknesses originally identified.
- Additional follow-up reviews are conducted when the internal control environment at a school/site merits a “needs improvement” or “inadequate” rating (see page 6). Follow-up reviews are conducted annually until the internal control environment is rated “satisfactory.”
- The procedures for the reviews included a review of written policies and procedures, and sampling transactions for compliance by reviewing supporting documentation and electronic records.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Business Process Reviews are conducted each time a principal is assigned to a different school. Selected business processes at the school are reviewed to assist the principal in determining if internal controls are functioning properly or if additional assistance is needed.

Internal Audit may schedule Business Process Reviews at schools when the leadership has not changed. The goal is to review each school at least once every five years. This assures principals and Central Office administrators that internal controls continue to work as designed for new and established principals.

Internal Control Questionnaire

Internal controls help establish accountability and provide feedback to managers on whether operations are working as expected. Controls are not meant to be a trap to catch someone not following procedures, but rather a quick check to enable everyone to do the job right. Because internal controls involve specific procedures for tasks, a system of internal controls should be a part of making the work smoother for everyone. Although some employees may feel that internal controls are restrictive, controls are actually tools to help ensure that organizational objectives are met. When internal controls are not functioning as intended, there is an increase in the risk of not meeting organizational objectives. Resources may be wasted as a result.

Internal control failures often result in employees having to spend unnecessary time in order to correct a problem; they may also result in violations of law or regulations that jeopardize State, Federal, or other funds. Most importantly, they may undermine the District’s ability to serve its students.

Everyone in an organization has some responsibility for internal control, but an organization's leaders are ultimately responsible and must assume "ownership" of the internal controls for their area of responsibility.

Internal Audit has developed a list of questions to assess the internal control environment in a school. When there is a change in principal at a school, it is particularly important to assess whether the internal controls for key business processes function as they should, and whether the internal control environment – the attitude about internal controls – at the school site is as strong as it should be. This assessment will help the leadership at the school site determine whether changes are needed in order to effectively manage the business processes. The Internal Control Questionnaire (ICQ) is completed jointly by the Internal Auditor and the principal at the beginning of each initial Business Process Review.

Purchasing and Accounts Payable

Board Policy DJE, Purchasing, controls the District purchasing process. The District's Purchasing Manual provides detailed procedures. The purchasing process is a combined effort from both the Central Office and the schools/sites. Items are requested or ordered by a school site; electronic approvals are obtained based on the dollar amount and funding source. Once all approvals are applied, the purchase order is generated and sent to the vendor. The items are then shipped to the school site, where the order is received and verified by the secretary. Electronic verification of the items received is to be entered in the District's Financial System (LEAFS) within 72 hours. Once an invoice is received and reviewed by the Accounts Payable Department, it is matched to the electronic receiving information and payment is made to the vendor.

Student Activity Funds

Student Activity Funds provide a school or site with the ability to collect funds and purchase items for school related functions. Student Activity Fund (SAF) procedures are outlined in the Student Activity Fund Handbook. The work processes are conducted at the school site by the administrative secretary. The Student Activity Fund Coordinator, in the Division of Finance, supports and monitors the schools or sites to ensure compliance with the District's policies and procedures. Funds may be collected by designated sponsors at each school and then given to the secretary. Each transaction is documented in the District's SAF computer program called SchoolCash.net; funds are then deposited into the bank. Check Request Forms are used to document each disbursement from the account.

Student Data

The Disciplinary Referral process is documented in the District's Student Data Accountability Procedures Manual. The process requires a teacher or administrator to complete the Disciplinary Referral Form. The completed form is given to the information specialist, who enters the information into the District's Student Information System, PowerSchool. The student's attendance is entered by the teacher into PowerSchool's teacher component, PowerTeacher. The information specialist is required to adjust the attendance in PowerSchool of any student who is absent from class due to a disciplinary action, such as in-school suspension, out of school suspension, etc. This information is reported annually to the Georgia Department of Education; it is also the basis for ad hoc reports used by the District and requested by community members throughout the year.

Purchasing Cards

The District's Purchasing Card Manual provides instructions for small purchases with a District-issued credit card, known as Purchasing Cards. Purchasing Cards may be issued to principals; each card is connected to a specific account line in a school's non-salary budget. The principal may request cards for more than one budget line. All transactions are recorded on a transaction log, with supporting documentation attached. On a monthly basis, the transaction log is reconciled with the bank statement at the school/site by the secretary. The Division of Finance is notified that the reconciliation is complete; the supporting documentation is maintained at the school/site.

Summary of Findings

School	Total Per School	Area of Findings Fall SY16/17
Beach High School	36	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data • Purchase Cards
Gould Elementary School	50	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data
Groves High School	17	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Data
Isle of Hope K-8 School	13	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data
J.G. Smith Elementary School	7	<ul style="list-style-type: none"> • Student Activity Cards • Student Data • Purchase Cards
Largo-Tibet Elementary School	62	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data • Purchase Cards
Marshpoint Elementary School	2	<ul style="list-style-type: none"> • Student Data
Rice Creek School	21	<ul style="list-style-type: none"> • Student Activity Funds • Student Data
Savannah Arts Academy	11	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data • Purchase Cards
Southwest Elementary School	35	<ul style="list-style-type: none"> • Purchasing and Accounts Payable • Student Activity Funds • Student Data • Purchase Cards

Total	254	
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Internal Control Review Results by Area

Internal Control Legend

CRITERIA	LOW	MEDIUM	HIGH
	SATISFACTORY (0% - 19% Findings)	NEEDS IMPROVEMENT (20% - 39%)	INADEQUATE (40% and Higher)
Policy & Procedures Compliance	In compliance	Non-compliance issues exist	Non-compliance issues are significant or have severe consequences
Information Risk (Student Data Only)	Data is generally reliable	Data is mostly accurate but can be improved	Data is incomplete or inaccurate
Effect	Not likely to impact operations	Moderate impact on operations	Negative impact on operations

**This risk is based on count of findings.*

Purchasing and Accounts Payable

Policy & Procedures Compliance

School/Site Sample Size	SATISFACTORY (0 – 19% Findings)	NEEDS IMPROVEMENT (20% - 39%)	INADEQUATE (40% and Higher)	Effect
	In compliance	Non-compliance issues exist	Non-compliance issues are significant or severe	
Beach High School 30 transactions	-	30%	-	Moderate impact on operations
Gould Elementary School 30 transactions	-	-	100%	Negative impact on operations
Groves High School 29 transactions	-	34%	-	Moderate impact on operations
Isle of Hope K-8 School 30 transactions	10%	-	-	Not likely to impact operations
J.G. Smith Elementary School 30 transactions	0%	-	-	No impact on operations
Largo-Tibet Elementary School 30 transactions	-	-	63%	Negative impact on operations
Marshpoint Elementary School 30 transactions	0%	-	-	No impact on operations
Rice Creek School 30 transactions	0%	-	-	No impact on operations
Savannah Arts Academy 30 transactions	3%	-	-	Not likely to impact operations
Southwest Elementary School 30 transactions	-	-	90%	Negative impact on operations

The most common findings included:

- There was no packing list on file to review (59 findings). **Medium Risk**
- The packing slip was not signed and/or dated (20 findings). **Low Risk**
- The goods were not received within LEAFS within 72 hours (17 findings). **High Risk**

Student Activity Funds
Policy & Procedures Compliance

School/Site Sample Size	SATISFACTORY (0 – 19% Findings)	NEEDS IMPROVEMENT (20% - 39%)	INADEQUATE (40% and Higher)	Effect
	In compliance	Non-compliance issues exist	Non-compliance issues are significant or severe	
Beach High School 30 transactions	13%	-	-	Not likely to impact operations
Gould Elementary School 30 transactions	-	30%	-	Moderate impact on operations
Groves High School 30 transactions	0%	-	-	No impact on operations
Isle of Hope K-8 School 30 transactions	17%	-	-	Not likely to impact operations
J.G. Smith Elementary School 30 transactions	7%	-	-	Not likely to impact operations
Largo-Tibet Elementary School 30 transactions	-	30%	-	Moderate impact on operations
Marshpoint Elementary School 30 transactions	0%	-	-	No impact on operations
Rice Creek School 30 transactions	-	-	50%	Negative impact on operations
Savannah Arts Academy 30 transactions	3%	-	-	Not likely to impact operations
Southwest Elementary School 30 transactions	13%	-	-	Not likely to impact operations

The most common findings included:

- Incomplete Report of Monies Collected and/or Check Request Forms (23 findings). **High Risk**
- Report of Monies Collected Forms missing receipts. (14 findings). **High Risk**

Student Data
Information Risk

School/Site Sample Size	SATISFACTORY (0 – 19% Findings)	NEEDS IMPROVEMENT (20% - 39%)	INADEQUATE (40% and Higher)	Effect
	In compliance	Non-compliance issues exist	Non-compliance issues are significant or severe	
Beach High School 30 incidents	-	-	57%	Data is incomplete or inaccurate
Gould Elementary School 12 incidents	-	-	92%	Data is incomplete or inaccurate
Groves High School 30 incidents	-	23%	-	Data is mostly accurate but can be improved
Isle of Hope K-8 School 30 incidents	17%	-	-	Data is generally reliable
J.G. Smith Elementary School 30 incidents	7%	-	-	Data is generally reliable
Largo-Tibet Elementary School 30 incidents	-	-	100%	Data is incomplete or inaccurate
Marshpoint Elementary School 30 incidents	7%	-	-	Data is generally reliable
Rice Creek School 30 incidents	-	20%	-	Data is mostly accurate but can be improved
Savannah Arts Academy 8 incidents	-	-	88%	Data is incomplete or inaccurate
Southwest Elementary School 30 incidents	7%	-	-	Data is generally reliable

Student Data

The most common findings included:

- Disciplinary Referral Forms were not signed by the person entering the data (35 incidents).
Low Risk
- Disciplinary Referral Form does not match the data entered into PowerSchool (26 incidents).
High Risk
- The student’s attendance record did not agree with the Disciplinary Referral Form (19 incidents).
High Risk

Purchase Cards

Policy & Procedures Compliance

School/Site Sample Size	SATISFACTORY (0 – 19% Findings)	NEEDS IMPROVEMENT (20% - 39%)	INADEQUATE (40% and Higher)	Effect
	In compliance	Non-compliance issues exist	Non-compliance issues are significant or severe	
Beach High School 14 transactions	-	-	43%	Negative impact on operations
Isle of Hope School 15 transactions	0%	-	-	No impact on operations
J.G. Smith School 15 transactions	-	20%	-	Moderate impact on operations
Largo-Tibet School 5 transactions	-	-	40%	Negative impact on operations
Rice Creek School One transaction	0%	-	-	No impact on operations
Savannah Arts Academy 15 transactions	13%	-	-	Not likely to impact operations
Southwest Elementary School 6 transactions	-	33%	-	Moderate impact on operations

The most common findings included:

- Reconciliations not completed within the month (11 findings). **High Risk**



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Derrick Muhammad, Principal
Beach High School
3001 Hopkins Street
Savannah, GA 31405

Dear Mr. Muhammad,

Internal Audit has completed a Business Process Review for Beach High School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Beach High School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Beach High School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on August 17, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Mr. Muhammad was appointed as principal at Beach High School on July 1, 2010. Mr. Muhammad has been employed by SCCPSS 15 years.

Beach High School has four secretaries. One secretary at Beach High School is responsible for the area of Student Activity Funds and Purchase Cards. This secretary has been assigned to the school for six years. She has been employed by SCCPSS for 20 and one-half years. Another secretary is a part-time secretary that is responsible for purchasing. This secretary has been assigned to the school for one year. She has been employed by the District for eight years.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for six years. She has been employed by SCCPSS for 15 years. The fourth secretary assists the information specialist with attendance. This secretary has been assigned to the school for six and one-half years. She has been employed by the District for six and one-half years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable, Student Activity Funds, Student Data, and Purchase Cards.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Beach High School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Beach High School
Business Process Review
August 2016

RESULTS OF REVIEW

The results of the Business Process Review at Beach High School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- Eight receiver documents could not be located onsite for our review.
- One purchase order did not have a receiver document with a signature and/or date to show the items were received.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign, and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.

Management's Response

Root Cause:

- *The 8 receivers were placed in the wrong binder and could not be found at the time of the audit.*
- *The PO receiver document was present and receiver applied in LEAFS, but the packing slip document was inadvertently not signed or dated once the document arrived in the building.*

Corrections:

- *The documents are being placed in new binders for 2016-2017.*
- *All packing slips will be dated and signed. The new secretary that handles purchasing will be trained 9/14/2016.*

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- The receipts supporting three Report of Monies Collected Forms were missing.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- The checklist box was not filled out on one Check Request Form as required by the Student Activity Fund Handbook.

Transfers

Internal Audit selected one transfer per month for review. We reviewed two transfers that were conducted within the scope of the audit. The transfers were reviewed for purpose and approval. We found the following:

- One transfer did not follow District guidelines. The account's charter did not allow the transfer from one account to another.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Check requests are an important part of internal control. By completing the entire check request (including the checklist box), the SAF bookkeeper knows how to prepare the check, which fund number to use to generate the check, and can verify that the check is being requested in accordance with the Activity Charter. The fund balance on the check request assures the person approving the request that funds are available for use. Signatures of the person requesting the check, approving the check and printing the check establish accountability for the funds.

Transfers may occur depending on the needs of the school (closing of an account, rollover of a class account, etc.). However, they are required to follow the guidelines outlined in the District's Student Activity Fund Handbook to ensure accountability of funds.

Recommendation(s):

- Receipts from the sponsor should be presented along with the Report of Monies Collected Form to the bookkeeper to validate the funds submitted.
- All check requests should be completed prior to printing a check, including fund name/number, fund balance, checklist box, and purpose of the check. Supporting documentation, such as an invoice or a receipt, should be attached to the check request.
- All transfers need to have the proper approvals and the purpose of the transfer is relevant to the method funds are generated and/or how the funds will be used as documented in the corresponding account charter.

Management's Response

Root Cause:

- *The receipts for three transactions were not submitted by sponsor.*
- *The checklist box portion on one form was overlooked.*
- *The SAF account sponsor for one student group helped fund an activity for another student group. It was not written in the charter that the student group could help fund an activity for MOID student group.*

Corrections:

- *Sponsors must submit all receipts along with the Report of Monies form to the SAF Bookkeeper.*
- *The check request form will be completed in its entirety before issuing a check.*
- *MOID student group must fundraise. Also, SAF charters will be adjusted.*

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date on three Disciplinary Referral Forms did not match the data entry in PowerSchool.
- Twelve student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool.

- One Disciplinary Referral Form was not signed by the person entering the data in PowerSchool.
- One incident was not reported to the state correctly. The consequence code on the Disciplinary Referral Form did not match the information entered into PowerSchool.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- Disciplinary Referral Forms should be fully completed, including the referral code, name of person making the referral, parent/guardian information, disposition of the incident, signature of the person entering the information, and signature of the person entering the data in order to provide complete and reliable information for state and local reporting.
- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.
- Disciplinary Referral Forms should be signed by the person entering the incident in PowerSchool.

Management’s Response

Root Cause:

- *The date of the incident was input incorrectly.*
- *Discipline data and attendance data was not being entered at the same time.*
- *A person forgot to sign the disciplinary referral.*
- *The person entering the incident mistakenly entered the wrong code as listed on the referral.*

Corrections:

- *Administration will be more careful when entering disciplinary referrals.*
- *The attendance clerk will enter the correct codes in the attendance fields the same day a disciplinary referral is completed.*
- *Disciplinary referrals will be signed by the person entering the data.*

PURCHASE CARDS

Internal Audit selected 14 purchase card transactions for review (total number of purchase card transaction within the scope of the audit). The monthly reconciliations and supporting documentation were reviewed.

Internal Audit found the following issues:

- Six reconciliations were not completed within the month of the bank statement as allowed by the Purchase Card Handbook.

The reconciliation process is an important control that serves to validate the proper use of purchase cards.

Recommendation(s):

- The reconciliation process should be completed on a monthly basis as outlined in the District’s Purchase Card Handbook.

Management’s Response

Root Cause:

- *The reconciliations were not completed on time.*

Corrections:

- *District guidelines will be followed.*



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Jim Roszkowiak, Principal
Vernon Cole, Former Principal
Gould Elementary School
4910 Pineland Drive
Savannah, GA 31405

Dear Mr. Roszkowiak,

Internal Audit has completed a Business Process Review for Gould Elementary School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Gould Elementary School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Gould Elementary School:

- Purchasing and Accounts Payable,
- Student Activity Funds, and
- Student Data.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 19, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Vernon Cole was appointed as principal at Gould Elementary School on July 1, 2009. Mr. Cole has been employed by SCCPSS for 23 and one-half years.

Gould Elementary School has one secretary. This secretary at Gould Elementary School is responsible for the area of Purchasing and Accounts Payable and Student Activity Funds. This secretary was assigned to the school for five and one-half years. She has been employed by SCCPSS for five and one-half years.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for 17 years. She has been employed by SCCPSS for 25 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable, Student Activity Funds, and Student Data.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Gould Elementary School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Gould Elementary School
Business Process Review
July 2016

RESULTS OF REVIEW

The results of the Business Process Review at Gould Elementary School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- Eleven purchase orders did not have a receiver document with a signature and/or date to show the items were received.
- Sixteen purchase orders did not have a packing slip on file for our review.
- The receiver date in LEAFS did not agree with the receiver date on two packing slips.
- One purchase order was not received in LEAFS within 72 hours, as required by the Purchasing Manual.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Payments to vendors are triggered in part by entering the date the items are received into LEAFS. Prompt entry of receiving information, as required by the District's Purchasing Manual, allows prompt payment to vendors.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.
- Receiving information in LEAFS should reflect the date the goods are received onsite to provide assurance they were received within 72 hours, as required by the Purchasing Manual.

Management's Response

Due to previous audits, we seemed to be on the right track so we did not continue to do spot checks. Gould has a new full-time Secretary for the 2016-2017 school year. Purchase order procedures and protocol will be followed according to the districts' purchasing manual and we will abide by the corresponding timelines. Additional professional development for the administrative secretaries will be provided as needed and upon request.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- The receipts supporting seven Report of Monies Collected Forms were missing.
- One receipt supporting one Report of Monies Collected Form did not match the deposit total on the Report of Monies Collected Form. The receipt was \$74.17 more than the amount on the Report of Monies Collected Form.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- One of the 15 disbursement transactions did not have supporting documentation.

Transfers

Internal Audit selected one transfer per month for review. We reviewed one transfer (total number of transfers within the scope of the audit). The transfer was reviewed for purpose and approved. Internal Audit found the transfer followed District guidelines.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Complete documentation of expenditures, including a Check Request Form and an invoice, supports the disbursement of money from a specific fund. Completing the account (fund) name/number helps to ensure that money is disbursed from the correct fund. Signatures on the Check Request Form establish accountability for the funds.

Recommendation(s):

- Receipts from the sponsor should be presented along with the Report of Monies Collected Form to the bookkeeper to validate the funds submitted.
- Invoice(s) should be provided to the bookkeeper as supporting documentation from the person turning in a Check Request Form.

Management's Response

Due to previous audits, we seemed to be on the right track so we did not continue to do spot checks. Receipts of monies collected and deposited will be double checked and accounted for with each deposit. The receipts and the deposits will be verified and initialed by the Admin Secretary and the Sponsors. Disbursement documentation is required to have supporting documentation prior to Principal/Designee approval. Documentation of the disbursements will be kept on file for the current school year and we will follow policies dictated by the district manual.

STUDENT DATA

Internal Audit selected 12 student discipline incidents for review (total number of incidents within the scope of our audit). Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- Two student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool.
- Four Disciplinary Referral Forms were not signed by the person entering the data in PowerSchool.
- The incident date/code and/or consequence code on three Disciplinary Referral Forms did not match the data entry in PowerSchool.
- Two Disciplinary Referral Forms could not be located onsite for our review.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.

- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.
- Disciplinary Referral Forms should be signed by the person entering the incident in PowerSchool.

Management's Response

Due to family illness, several people tried to step up and help insure data was entered in a timely manner. Gould will reduce the number of people entering the data to one person entering data. The cause of the deficiency lies in the checking of the accuracy of the data and the oversight of the data recording and entry process.

In-house procedures for discipline referrals are to be reviewed and the forms need to be reviewed by an administrator and designated office personnel who are to enter the student data. All forms are to have accurate information and filled in in their entirety with entry verification signatures and dates corresponding with PowerSchool.

Discipline data entries are to be filed with the AP and the IS in a separate notebook for easy and quick reference.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Mr. Timothy Cox, Interim Principal
Groves High School
100 Priscilla Dr. Thomas Way
Savannah, GA 31408

Dear Mr. Cox,

Internal Audit has completed a Business Process Review for Groves High School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Groves High School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Groves High School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 27, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Mr. Duncan was appointed as principal at Groves High School on January 25, 2011. Mr. Duncan is no longer employed by the District. He was employed by SCCPSS for five and one-half years.

Groves High School has two secretaries. One secretary at Groves High School is responsible for the area of Purchasing and Accounts Payable and Student Activity Funds. This secretary has been assigned to the school for 18 years. She has been employed by SCCPSS for 36 years. The other secretary is responsible for the receptionist responsibilities of the school.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for two years. She has been employed by SCCPSS for seven years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable and Student Data.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Groves High School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Groves High School
Business Process Review
July 2016

RESULTS OF REVIEW

The results of the Business Process Review at Groves High School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 29 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- Two purchase orders did not have a receiver document with a signature and/or date to show the items were received.
- Eight purchase orders were not received in LEAFS within 72 hours, as required by the Purchasing Manual.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period

Payments to vendors are triggered in part by entering the date the items are received into LEAFS. Prompt entry of receiving information, as required by the District's Purchasing Manual, allows prompt payment to vendors

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.
- Receiving information should be entered in LEAFS within 72 hours, as required by the District's Purchasing Manual.

Management's Response

We evaluated the packing slip errors and the root cause of the errors. We had a couple of teachers not checking for the packing list, signing it and dating the packing list. The packing slip was not tuned in to the secretary in a timely manner. Two teachers misplaced the documentation.

All staff members will report to the main office to secure and compare the content of the packing list, then sign and date the packing list before all orders are delivered to the classroom.

With this process in place all receivers will be in LEAFS within the 72 hours policy required by Purchasing.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was

reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Transfers

Internal Audit selected one transfer per month for review. The transfers were reviewed for purpose and approval. We found all transfers followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date and/or consequence codes on five Disciplinary Referral Forms did not match the data entry in PowerSchool or were not documented on the Disciplinary Referral Form.
- One student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool.
- One incident was reported to the State incorrectly. The actions documented on the Disciplinary Referral Form did not match the consequence actions reported to the State.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- Disciplinary Referral Forms should be fully completed, including the referral code, name of person making the referral, parent/guardian information, disposition of the incident, signature of the person entering the information, and signature of the person entering the data in order to provide complete and reliable information for state and local reporting.
- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.

Management's Response

Disciplinary Referral forms: *Some of our forms were not filled out completely.*

We will remind staff to make sure to have all items on the referral form so that the data on the form and in Power School will match correctly.

Attendance did not match: *The IS will be diligent to make sure all data is correct including changing the student's attendance in Power School.*

Incident reported to the state incorrectly: *This may have been one of the referrals that was changed by an admin after receiving more data about the incident. The IS will make sure to have the administrators change and initial the change on the referral form for any changes to a referral.*



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Lawrence Butler, Principal
Kim Newman, Former Principal
Isle of Hope K-8 School
100 Parkersburg Road
Savannah, GA 31406

Dear Dr. Butler and Ms. Newman,

Internal Audit has completed a Business Process Review for Isle of Hope K-8 School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Isle of Hope K-8 School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Isle of Hope K-8 School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 26, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Ms. Newman was appointed as principal at Isle of Hope K-8 School on July 1, 2013. Ms. Newman has been employed by SCCPSS for 24 years.

Isle of Hope K-8 School has two secretaries. One secretary is responsible for the areas of Purchasing and Accounts Payable, Student Activity Funds, and Purchase Cards. This secretary has been assigned to the school for seven years. She has been employed by SCCPSS for 15 years. The other secretary is responsible for the receptionist responsibilities of the school.

The information specialist is responsible for the area of Student Data. The information specialist was assigned to this school for one year. She has been employed by SCCPSS for one and one-half years. She is no longer at the school site.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls are proficient in the areas of Purchasing and Accounts Payable, Student Activity Funds, and Student Data, and internal controls are exemplary in the area of Purchase Cards.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Isle of Hope K-8 School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Isle of Hope K-8 School
Business Process Review
July 2016

RESULTS OF REVIEW

The results of the Business Process Review at Isle of Hope K-8 School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. We found the following issues:

- One purchase order did not have a receiver document with a signature and/or date to show the items were received.
- Two purchase orders were not received in LEAFS within 72 hours, as required by the Purchasing Manual.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Payments to vendors are triggered in part by entering the date the items are received into LEAFS. Prompt entry of receiving information, as required by the District's Purchasing Manual, allows prompt payment to vendors.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.
- Receiving information should be entered in LEAFS within 72 hours, as required by the District's Purchasing Manual.

Management's Response

IOH is in agreement with and, as a rule, is in compliance with the recommendations from the Internal Audit Department. Let it be noted, however, that on occasion, there are purchase orders in which a packing slip has not been included by the vendor. Upon receipt of such orders, the secretary customarily will make a note, including the date of delivery, on the front page of the purchase order.

IOH opened a new school in the fall of 2015. There were boxes from the move and incoming start-up orders in the front office area. The office staff spent numerous hours unpacking and organizing in addition to the regular duties dealing with the beginning of a new school term. While normally, receivers are entered in a timely manner, these were extenuating circumstances in the fall of 2015.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- Two entries in SchoolCash.net, the District's SAF accounting system, were dated after the date on the Report of Monies Collected Form. This indicates that the money was collected and held before

the entry was made in SchoolCash.net.

- Two deposits were not made within 24 hours after the funds were received by the sponsor.
- One Report of Monies Collected Form was incomplete. It was missing the bookkeeper's signature.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Transfers

Internal Audit selected one transfer per month for review. The transfers were reviewed for purpose and approval. All transfers followed District guidelines.

Receipts validate the amount transferred from one person to another in the Student Activity Fund process, i.e. from a teacher or sponsor to the bookkeeper or the bookkeeper to the bank. These receipts establish accountability for the funds. The Student Activity Fund Handbook procedures state that receipts from SchoolCash.net must be issued for all monies collected from all sources when the money is collected. This process ensures that all transactions are recorded promptly and provides a tracking mechanism to ensure that all deposits are recorded in the bank.

Deposits should be made on a daily basis to reduce the risk of loss and/or theft. This also reduces the time between receipt of the funds and when the funds are available for use by the activity sponsor.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Recommendation(s):

- SchoolCash.net receipts should be provided by the bookkeeper to the person turning in a Report of Monies Collected Form at the time the money is collected.
- Deposits should be entered in SchoolCash.net on the day funds are received by the bookkeeper.
- Deposits should be made within 24 hours of receipt.
- Report of Monies Collected Forms should be completed entirely, including fund name/number, receipt numbers (or list of names and amounts collected, if under \$5 each), total amount of money collected, reason for collection, and signature of the person submitting the funds.

Management's Response

IOH is again in agreement with the recommendations by the Internal Audit Department. In reference to deposits being made within 24 hours, please note that monies turned in after deposits are made are locked in a secure file cabinet in the vault until the next business day. Monies turned in on Friday, after the deposit is made are also locked in a secure file cabinet in the vault for the weekend. In the event that this does happen, the date on the SchoolCash.net receipt will be different than the date on the monies collected form. The bookkeeper will take extra precautions to insure that all pertinent information is included upon receipt of each monies collected form.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date on three Disciplinary Referral Forms did not match the data entry in PowerSchool.
- One Disciplinary Referral Form was entered under an incorrect student in PowerSchool.
- One student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.

Management's Response

The issues that the Internal Audit Department cited are ones that our Information Specialist worked diligently to eliminate. The volume and constant interruptions are possibly the root of the discrepancies and we have tried to implement a second set of eyes to review all discipline forms and entries in the computer to prevent future issues.

PURCHASE CARDS

Internal Audit selected 15 purchase card transactions for review. The monthly reconciliations and supporting documentation were reviewed. Internal Audit found the transactions followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Vernon Cole, Principal
Andrea Burkiett, Former Principal
J.G. Smith Elementary
210 Lamara Drive
Savannah, GA 31405

Dear Mr. Cole and Ms. Burkiett,

Internal Audit has completed a Business Process Review for J.G. Smith Elementary School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at J.G. Smith Elementary School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at J.G. Smith Elementary School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 21, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Ms. Burkiett was appointed as principal at J.G. Smith Elementary School on January 3, 2013. Ms. Burkiett has been employed by SCCPSS for three and one-half years.

J.G. Smith Elementary School has two secretaries. One secretary is responsible for the areas of Purchasing and Accounts Payable, Student Activity Funds, and Purchase Cards. This secretary has been assigned to the school for six and one-half years. She has been employed by SCCPSS for six and one-half years. The other secretary is responsible for the receptionist responsibilities of the school.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for two years. She has been employed by SCCPSS for 24 and one-half years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchase Cards.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at J.G. Smith Elementary School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

J.G. Smith Elementary School
Business Process Review
July 2016
RESULTS OF REVIEW

The results of the Business Process Review at J.G. Smith Elementary School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. We found all transactions followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- The receipts supporting one Report of Monies Collected Form were incomplete.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- One of the 15 disbursement transactions did not have supporting documentation.

Transfers

Internal Audit selected one transfer per month for review. The transfers were reviewed for purpose and approval. All transfers followed District guidelines.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Complete documentation of expenditures, including a Check Request Form and an invoice, supports the disbursement of money from a specific fund. Completing the account (fund) name/number helps to ensure that money is disbursed from the correct fund. Signatures on the Check Request Form establish accountability for the funds.

Recommendation(s):

- Receipts from the sponsor should be presented along with the Report of Monies Collected Form to the bookkeeper to validate the funds submitted.
- Invoice(s) should be provided to the bookkeeper as supporting documentation from the person turning in a Check Request Form.

Management's Response

This was an oversight on the secretary's part and she will pay closer attention the documents. Secretary will not process any forms without supporting documentation and Administrator's signature.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- One student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool.
- One Disciplinary Referral Form was not signed by the person entering the data in PowerSchool.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.
- Disciplinary Referral Forms should be signed by the person entering the incident in PowerSchool.

Management's Response

Information Specialist believes she may have been rushed and misread or hit the wrong key. We will reiterate the proper procedures for entering, signing, and checking data entered into the system. One person will also enter information only. The information will be double-checked once inputted into the system

PURCHASE CARDS

Internal Audit selected 15 purchase card transactions for review. The monthly reconciliations and supporting documentation were reviewed. Internal Audit found the following issues:

- Three purchase cards transactions did not follow District guidelines. One item was an online purchase that was shipped to the principal's house, the second item was for food, and the third item was for flowers.

Items purchased through the purchase card process must follow the same guidelines as items purchased through the purchase order process. Items such as food and flowers for faculty should use Faculty Funds within the District's Student Activity Funds. All items purchased with District funds should be sent to the school's address and not to a personal home address.

Recommendation(s):

Based on our findings, Internal Audit recommends the following:

- All purchase card transactions should follow District guidelines established in the District's Purchasing Manual.

Management's Response

The online item was shipped to the previous principal's house because when shipping confirmation was sent the delivery date was going to be after June 30, 2016. Additionally, UPS deliveries had already been cancelled for the summer which would have pushed the receipt the delivery well past the June 30, 2016 deadline. The principal shifted the delivery address from the school to her house to expedite the delivery date and to ensure the items were received by the end of the 2016 Fiscal Year. In the future, the principal will not make this change in delivery address.

The second item that was for food was for an all-day workshop that lasted more than 4 hours without the opportunity for participants to leave campus for lunch. An agenda to support the training was submitted to the auditors on August 11, 2016.

The purchase for the flowers was the principal's misunderstanding of merchant codes. Based on the

principal's initial training, she understood allowable purchases to be governed by the merchant code. Meaning, if a purchase was allowed then the purchase would go through and if it were not then the purchase would not be processed. Upon receiving word of her error, the principal visited the accounting department to review training for Purchasing Cards. The principal now understands that merchant codes are tied to the facility where purchases are made and not the actual items being purchased. The principal has already received additional training; therefore, she does not expect this to be a reoccurring mistake.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Andrea Burkiett, Principal
Jim Roszkowiak, Former Principal
Largo-Tibet Elementary School
430 Tibet Ave
Savannah, GA 31406

Dear Ms. Burkiett and Mr. Roszkowiak,

Internal Audit has completed a Business Process Review for Largo-Tibet Elementary School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Largo-Tibet Elementary School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Largo-Tibet Elementary School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on August 10, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Mr. Roszkowiak was appointed as principal at Largo-Tibet Elementary School on July 1, 2012. Mr. Roszkowiak has been employed by SCCPSS for 18 and one-half years.

Largo-Tibet Elementary School has two secretaries. One secretary at Largo-Tibet Elementary School is responsible for the area of Purchasing and Accounts Payable, Student Activity Funds, and Purchase Cards. This secretary had been assigned to the school for two years. She has been employed by SCCPSS for 12 and one-half years. She is no longer an employee at Largo-Tibet Elementary School. The other secretary is responsible for the receptionist duties at the school.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for 13 and one-half years. She has been employed by SCCPSS for 15 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable, Student Activity Funds, Purchase Cards, and Student Data.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff Largo-Tibet Elementary School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Largo-Tibet Elementary School
Business Process Review
August 2016

RESULTS OF REVIEW

The results of the Business Process Review at Largo-Tibet Elementary School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- Ten purchase orders did not have a packing slip for receiver documentation.
- Four purchase orders did not have a receiver document with a signature and/or date to show the items were received.
- Five purchase orders were not received in LEAFS within 72 hours, as required by the Purchasing Manual.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Payments to vendors are triggered in part by entering the date the items are received into LEAFS. Prompt entry of receiving information, as required by the District's Purchasing Manual, allows prompt payment to vendors.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.
- Receiving information should be entered in LEAFS within 72 hours, as required by the District's Purchasing Manual.

Management's Response

The previous Administrative Secretary is no longer employed at Largo-Tibet. The new Administrative Secretary began as of August 1, 2016. She has participated in appropriate training and will work diligently with the principal to implement district policies and procedures.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- Six Report of Monies Collected Forms were not located on-site.
- The receipts supporting one Report of Monies Collected Form were missing.
- One deposit did not match the amount submitted on the Report of Monies Collected Form.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issue:

- One Check Request Form was incomplete. It was missing the purpose for the check request.

Transfers

Internal Audit selected one transfer per month for review. We identified one transfer during our review period, and it was reviewed for purpose and approval. This transfer followed District guidelines.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

The deposit total on the Report of Monies Collected Form should match the amount that is entered into SchoolCash.net and the amount deposited into the bank account.

Check requests are an important part of internal control. By completing the entire check request, the SAF bookkeeper knows how to prepare the check, which fund number to use to generate the check, and can verify that the check is being requested in accordance with the Activity Charter. The fund balance on the check request assures the person approving the request that funds are available for use. Signatures of the person requesting the check, approving the check and printing the check establish accountability for the funds.

Recommendation(s):

- Report of Monies Collected Forms should be completed entirely, including fund name/number, receipt numbers (or list of names and amounts collected, if under \$5 each), total amount of money collected, reason for collection, and signature of the person submitting the funds.
- Receipts from the sponsor should be presented along with the Report of Monies Collected Form to the bookkeeper to validate the funds submitted.
- The bookkeeper should verify the money submitted on the Report of Monies Collected Form and enter the amount into SchoolCash.net. This must be done in the presence of the person submitting the funds.
- All check requests should be completed prior to printing a check, including fund name/number, fund balance, and purpose of the check. Supporting documentation, such as an invoice or a receipt, should be attached to the check request.

Management's Response

The previous Administrative Secretary is no longer employed at Largo-Tibet. The new Administrative Secretary began as of August 1, 2016. She has participated in appropriate training and will work diligently with the principal to implement district policies and procedures.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date/discipline code on two Disciplinary Referral Forms did not match the data entry in PowerSchool.
- One Disciplinary Referral Form could not be located onsite.
- Twenty-nine Disciplinary Referral Forms were not signed by the person entering the data in PowerSchool.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Disciplinary Referral Forms should be signed by the person entering the incident in PowerSchool.

Management's Response

The information specialist and I have reviewed the importance of accurate data being entered. Additionally, the assistant principal and I have discussed the importance of a penned signature on all discipline referrals. This has already improved 100% for the 16-17 school year.

PURCHASE CARDS

Internal Audit selected five purchase card transactions for review (all purchase card transactions during SY15/16 audit timeframe). The monthly reconciliations and supporting documentation was reviewed.

Internal Audit found the following issues:

- Two reconciliations were not reconciled for five transactions as required by the Purchase Card Handbook.

The reconciliation process is an important control that serves to validate the proper use of purchase cards.

Recommendation(s):

- The reconciliation process should be completed on a monthly basis as outlined in the District's Purchase Card Handbook.

Management's Response

The previous Administrative Secretary is no longer employed at Largo-Tibet. The new Administrative Secretary began as of August 1, 2016. She has participated in appropriate training and will work diligently with the principal to implement district policies and procedures.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Ms. Lynne Phillips, Principal
Marshpoint Elementary School
135 Whitemarsh Island Road
Savannah, GA 31410

Dear Ms. Phillips,

Internal Audit has completed a Business Process Review for Marshpoint Elementary School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Marshpoint Elementary School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Marshpoint Elementary School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 22, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Ms. Phillips was appointed as principal at Marshpoint Elementary School on August 1, 2010. Ms. Phillips has been employed by SCCPSS for 33 years.

Marshpoint Elementary School has two secretaries. One secretary is responsible for the areas of Purchasing and Accounts Payable and Student Activity Funds. This secretary has been assigned to the school for eight years. She has been employed by SCCPSS for 17 years. The other secretary is responsible for the receptionist duties at the school.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for three years. She has been employed by SCCPSS for 10 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the area of Student Data.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Marshpoint Elementary School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Marshpoint Elementary School
Business Process Review
July 2016

RESULTS OF REVIEW

The results of the Business Process Review at Marshpoint Elementary School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found all transactions followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Transfers

Internal Audit selected one transfer per month for review. The transfers were reviewed for purpose and approval. We found transfers followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date/code and/or consequence code on two Disciplinary Referral Forms did not match the data entry in PowerSchool.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.

Management's Response

The incident date/code on one Disciplinary Referral Form was keyed in incorrectly. The incident date (12-14-16) was keyed in as the Action Date (12-18-16). It was corrected in PowerSchool to reflect a correct incident date and correct action date.

- The consequence code on one Disciplinary Referral Form was keyed in incorrectly as an expulsion and has been corrected to a suspension.
- To increase accuracy in this area, the administration and the information specialist will meet once a month to match data from the paper disciplinary referral forms to the PowerSchool information.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Dr. Troy Brown
Rice Creek School
100 Mulberry Avenue
Port Wentworth, GA 31407

Dear Dr. Brown,

Internal Audit has completed a Business Process Review for Rice Creek School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Rice Creek School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Rice Creek School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on July 18, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Dr. Troy Brown was appointed as principal at Rice Creek School on July 6, 2015. Dr. Troy Brown has been employed by SCCPSS for 18 years.

Rice Creek School has two secretaries. One secretary is responsible for the area of Purchasing and Accounts Payable, Student Activity Funds, and Purchase Cards. This secretary has been assigned to the school for one year. She has been employed by SCCPSS for 30 years. The other secretary serves as a receptionist and back-up to the secretary. This secretary has been assigned to the school for five months. She has been employed by the District for five months.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for one year. She has been employed by SCCPSS for 27 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the area of Student Data.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Rice Creek School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Rice Creek School
Business Process Review
July 2016

RESULTS OF REVIEW

The results of the Business Process Review at Rice Creek School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found all transactions followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issue:

- The receipt supporting one Report of Monies Collected Form was missing.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- Fourteen Check Request Forms were incomplete. The checklist box was not completed as required by the Student Activity Fund Handbook.

Transfers

Internal Audit selected two transfers. (total transfers within the scope of the audit). Internal Audit found all transfers followed District guidelines.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Check requests are an important part of internal control. By completing the entire check request (including the checklist box), the SAF bookkeeper knows how to prepare the check, which fund number to use to generate the check, and can verify that the check is being requested in accordance with the Activity Charter. The fund balance on the check request assures the person approving the request that funds are available for use. Signatures of the person requesting the check, approving the check and printing the check establish accountability for the funds.

Recommendation(s):

- Receipts from the sponsor should be presented along with the Report of Monies Collected Form to the bookkeeper to validate the funds submitted.
- All check requests should be completed prior to printing a check, including fund name/number, fund balance, checklist box, and purpose of the check. Supporting documentation, such as an invoice or a receipt, should be attached to the check request.

Management's Response

Disbursements

The root cause is the result of not completing the additional checklist box because the same information is listed at the bottom of the Student Activity Fund Check Request. The checkbox was not completed as outlined in the Student Activity Fund Handbook—we thought this checklist was for auditing purposes. The secretary was using the checklist, but did not physically place checkmarks in the space provided. We have reviewed this procedure to ensure that similar human errors do not occur in the future. The failure to place checkmarks did not interfere with the correct preparation of any checks or any other accounting procedures. However, we understand the importance of using the additional checklist/box now and the staff at Rice Creek School have reviewed this area in the Student Activity Fund Handbook.

Receipts

The receipts for one of the Report of Monies Collected Form was not missing. The range of receipt numbers was not written on the form. Therefore, it appeared the receipts were missing, but they were not. We have reviewed the importance of including accurate information in its entirety. Additional review and training have been completed to address this matter.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date on two Disciplinary Referral Forms did not match the data entry in PowerSchool.
- The consequence code on one Disciplinary Referral Form did not match the data entry in PowerSchool.
- One student's attendance data in PowerSchool did not match the Disciplinary Referral Form.
- Two Disciplinary Referral Forms had state reported incidents that did not match the data on the Disciplinary Referral Form.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.

Management's Response

In review of the referrals in question, we noted the same concerns that the auditor found. The errors were the lack of verifying PowerSchool reports with student records (disciplinary referrals, etc). For example, there were two incidents in which the action dates were adjusted because of parental contact thus resulting in incorrect default incident dates that did not match. The school administrators met with the Information Specialist to review and implement a procedure to ensure that PowerSchool reports are verified weekly with the physical paperwork. This procedure will certify that there is reliable and accurate reporting.

PURCHASE CARDS

Internal Audit selected one purchase card transaction for review (total transactions within audit scope). The monthly reconciliations and supporting documentation was reviewed. Internal Audit found the transaction followed District guidelines.

Recommendation(s):

Internal controls in this area appear to be functioning appropriately; therefore, we have no recommendations.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Gifford Lockley, Principal
Savannah Arts Academy
500 Washington Avenue
Savannah, Ga 31406

Dear Mr. Lockley,

Internal Audit has completed a Business Process Review for Savannah Arts Academy. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Savannah Arts Academy, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Savannah Arts Academy:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on August 16, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Mr. Lockley was appointed as principal at Savannah Arts Academy on January 26, 2011. Mr. Lockley has been employed by SCCPSS for five and one-half years.

Savannah Arts Academy has three secretaries. The secretary at Savannah Arts Academy responsible for the area of Purchasing and Accounts Payable has been assigned to the school for one and one-half years. She has been employed by SCCPSS for 16 and one-half years. The secretary at Savannah Arts Academy responsible for the area of Student Activity Funds has been assigned to the school for six months. She has been employed by SCCPSS for six months. The secretary at Savannah Arts Academy responsible for the area of Purchase Cards has been assigned to the school for one year. She has been employed by SCCPSS for one year.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for 18 years. She has been employed by SCCPSS for 33 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable, Student Activity Funds, Student Data, and Purchase Cards.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Savannah Arts Academy in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Savannah Arts Academy
Business Process Review
August 2016

RESULTS OF REVIEW

The results of the Business Process Review at Savannah Arts Academy School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- One purchase order did not have a receiver document with a signature and/or date to show the items were received.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.

Management's Response

Although there is a specific process in place, we have had incidents where a teacher, who is expecting resources for his/her classroom, takes the box before the proper procedures have been taken care of. Effective immediately, all packages will be placed away from the main office and will be routed to a single person for receiving purposes. The secretary will open the package, compare the contents to the packing list, then sign and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package will be distributed as necessary, while the packing list is maintained with the purchasing documents.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found the following issues:

- One Report of Monies Collected Form was incomplete. It was missing the signature of the person submitting the funds.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Transfers

Internal Audit selected one transfer per month for review. We reviewed six transfers for purpose and approval. Internal Audit found all transfers followed District guidelines.

Complete documentation of receipts, including a Report of Monies Collected Form, supports the deposit of money into a specific fund. Completing the account (fund) name/number helps to ensure that money is

deposited in the correct fund. Signatures on the Report of Monies Collected Forms establish accountability for the funds.

Recommendation(s):

- Report of Monies Collected Forms should be completed entirely, including fund name/number, receipt numbers (or list of names and amounts collected, if under \$5 each), total amount of money collected, reason for collection, and signature of the person submitting the funds.

Management's Response

After reviewing concerns with teachers/sponsors, we clearly found that some teachers did not take the necessary time to complete the form in its entirety. Before all monies and forms are completed, it will be the responsibility of the teacher/sponsor and the financial secretary to review the Report of Monies Collected Form(s) to make certain the forms are: completed entirely, including fund name/number, receipt numbers (or list of names and amounts collected, if under \$5 each), total amount of money collected, reason for collection, and signature of the person submitting the funds.

STUDENT DATA

Internal Audit selected eight student discipline incidents for review (total number of disciplinary issues within the scope of the audit). Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- Two incidents did not have a Disciplinary Referral Form on file to conduct our review.
- Five incidents were not entered into the District's PowerSchool program to document the discipline incident.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- Disciplinary Referral Forms should be fully completed, including the referral code, name of person making the referral, parent/guardian information, disposition of the incident, signature of the person entering the information, and signature of the person entering the data in order to provide complete and reliable information for state and local reporting.
- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.

Management's Response

After further review of the Disciplinary Referral Forms in question, it was clear the data was not entered into Power School accurately. In the future, the principal will review all forms for completion, including all necessary signatures. The forms will be forwarded to the information specialist who will be given 24 hours to enter and return the Disciplinary Referral Forms(s) to the principal for proper filing.

PURCHASE CARDS

Internal Audit selected 15 purchase card transactions for review. The monthly reconciliations and supporting documentation were reviewed. Internal Audit found the following issues:

- Two reconciliations were not completed within the month allowed by the Purchase Card Handbook.

The reconciliation process is an important control that serves to validate the proper use of purchase cards.

Recommendation(s):

- The reconciliation process should be completed on a monthly basis as outlined in the District's Purchase Card Handbook.

Management's Response

The two monthly reconciliations in question were a result of not receiving timely bank statements and the winter holiday. In the future, it will be the responsibility of the secretary to contact the bank for proper statements by the 10th of every month if the school has not received proper bank statements. The secretary and principal will be given 24 hours to reconcile the bank statement and sign/date accordingly.



SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

September 22, 2016
Tara Fitzgerald, Principal
Leah Colby, Former Principal
Southwest Elementary School
6020 Ogeechee Road
Savannah, GA 31419

Dear Ms. Fitzgerald and Ms. Colby,

Internal Audit has completed a Business Process Review for Southwest Elementary School. The purpose of this letter is to document the results of that review and to identify actions that have already been taken or that will be taken in the future.

Review Objectives

The objectives of the review were to test internal controls for the business processes at Southwest Elementary School, and to provide the principal with feedback on changes implemented as a result of the original internal control review to ensure that internal controls are working as expected.

Scope of Review

To complete the review, Internal Audit tested a sample of transactions covering the following business processes at Southwest Elementary School:

- Purchasing and Accounts Payable,
- Student Activity Funds,
- Student Data,
- Purchase Cards.

Some transaction testing was performed during July 2016 using data available from the District's mainframe computer systems. This review was completed with a site visit to the school on August 19, 2016.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Background

Ms. Colby was appointed as principal at Southwest Elementary School on July 1, 2015. Ms. Colby has been employed by SCCPSS for 20 years

Southwest Elementary School has two secretaries. One secretary at Southwest Elementary School is responsible for the area of Purchasing and Accounts Payable and Purchase Cards. This secretary has been assigned to the school for two years. She was employed by SCCPSS for two years. The other secretary is responsible for the area of Student Activity Funds. This secretary has been assigned to the school for four years. She has been employed by the District for four years.

The information specialist is responsible for the area of Student Data. The information specialist has been assigned to this school for four years. She has been employed by SCCPSS for 11 years.

Results of Review and Opinion

The results of this review are listed for each of the business processes on the attachment to this letter. These results show that internal controls need some improvements in the areas of Purchasing and Accounts Payable, Student Activity Funds, Student Data, and Purchase Cards.

Internal Audit also included information that the administration provided regarding the actions the administration has taken or will be taken to strengthen internal controls in each area. These actions should provide the necessary internal control improvements.

Internal Audit will schedule additional site visits to determine if progress is made toward strengthening controls in these areas.

Internal Audit appreciates the assistance and support provided by the principal and the staff at Southwest Elementary School in completing this Business Process Review.

Sincerely,

Senior Director, Internal Audit

C: Board of Education
Audit Committee
Superintendent
Interim Chief Financial Officer
Deputy Superintendent Chief Academic Officer
Deputy Superintendent Chief Operations Officer
Chief Human Resources Officer
Chief Data and Accountability Officer
Chief of Campus Police
Chief of Public Affairs and Administrative Services Officer
Executive Directors of School Governance

ATTACHMENT

Southwest Elementary School
Business Process Review
August 2016

RESULTS OF REVIEW

The results of the Business Process Review at Southwest Elementary School are described below for each area reviewed. Information that the principal provided describing the actions that have been taken or will be taken are included in italics at the end of each section.

PURCHASING AND ACCOUNTS PAYABLE

Internal Audit selected 30 purchase orders for review. Internal Audit compared the documentation at the school site to the information in LEAFS, the District's financial accounting system. Internal Audit found the following issues:

- Twenty-five receiver documents could not be located onsite.
- The receiver date in LEAFS did not agree with the receiver date on one receiver document.
- One purchase order was not received in LEAFS within 72 hours, as required by the Purchasing Manual.

Packing lists or similar documentation that include dates and signatures are an essential part of internal control because they provide evidence that the items were received, who had custody of the items, and that receivers were entered in the LEAFS system within the required time period.

Payments to vendors are triggered in part by entering the date the items are received into LEAFS. Prompt entry of receiving information, as required by the District's Purchasing Manual, allows prompt payment to vendors.

Recommendation(s):

- All packages should be routed to a single person for receiving purposes. This person should open the package, compare the contents to the packing list, then sign, and date the packing list to create accountability for all items received. After the packing list or similar documentation is signed, the contents of the package can be distributed as necessary, while the packing list is maintained with the purchasing documents.
- Receiving information in LEAFS should reflect the date the goods are received onsite to provide assurance they were received within 72 hours, as required by the Purchasing Manual.

Management's Response

As the new principal to SWES I am not able to comment on the root cause other than an apparent lack of follow – up and organizational skills when it came to complying with deadlines and accountability procedures with the persons responsible for keeping records related to purchasing and accounts payable.

The new Administrative Secretary has had the training necessary to fulfill her responsibilities with purchasing and accounts payable in an accurate and timely manner. She is now the sole person for receiving and checking in all packages and entering them as received into LEAFS. The Principal and Administrative Secretary will have a weekly meeting to review all purchases outstanding, paper work and to authorize future purchases.

STUDENT ACTIVITY FUNDS

Receipts

Internal Audit selected 15 receipt transactions for review. The supporting documentation was reviewed for accuracy and completeness. Internal Audit found all transactions followed District guidelines.

Disbursements

Internal Audit selected 15 disbursement transactions for review. The supporting documentation was

reviewed for accuracy and completeness. Internal Audit found the following issues:

- The checklist box was not filled out on four Check Request Forms as required by the Student Activity Fund Handbook.

Transfers

Internal Audit selected one transfer per month for review. We reviewed six transfers. The transfers were reviewed for purpose and approval. We found all transfers followed District guidelines.

Check requests are an important part of internal control. By completing the entire check request (including the checklist box), the SAF bookkeeper knows how to prepare the check, which fund number to use to generate the check, and can verify that the check is being requested in accordance with the Activity Charter. The fund balance on the check request assures the person approving the request that funds are available for use. Signatures of the person requesting the check, approving the check and printing the check establish accountability for the funds.

Recommendation(s):

- All check requests should be completed prior to printing a check, including fund name/number, fund balance, checklist box, and purpose of the check. Supporting documentation, such as an invoice or a receipt, should be attached to the check request.

STUDENT DATA

Internal Audit selected 30 student discipline incidents for review. Internal Audit compared the Disciplinary Referral Form to the information in PowerSchool, the District's student information system. If the student was assigned in-school or out-of-school suspension, we also checked the student's attendance data for those days. Internal Audit found the following issues:

- The incident date on one Disciplinary Referral Form did not match the data entry in PowerSchool.
- One student's attendance data in PowerSchool did not match the Disciplinary Referral Form/Discipline Log in PowerSchool. For this same student, the incident was not reported to state correctly.

Disciplinary Referral Forms are the basis for mandatory state reporting on disciplinary issues. Fully completing this form, including the referral code, signature of the person entering the information, and disposition of the incident, improves the reliability of the data entered into PowerSchool. Reliable data in the system is essential for effective use of student information, and for reliable reporting to the state.

Recommendation(s):

- The data included on the Disciplinary Referral Form should be entered in PowerSchool accurately for the discipline incident to provide complete and reliable information for state and local reporting.
- Attendance data in PowerSchool should agree with the disposition data entered in PowerSchool as reflected on the Disciplinary Referral Form for the discipline incident.

Management's Response

The assistant principal will review PowerSchool weekly to ensure all discipline referrals for that week have been entered accurately into PowerSchool.

PURCHASE CARDS

Internal Audit selected six purchase card transactions for review (total number within the scope of our audit). The monthly reconciliations and supporting documentation were reviewed. Internal Audit found the following issues:

- One reconciliation was not completed within the 10 days as required by the Purchase Card Handbook.
- One purchase card transaction did not have supporting documentation.

The reconciliation process is an important control that serves to validate the proper use of purchase cards.

Receipts validate the amount of a transaction and the items that were purchased. This detail provides accountability of the funds to ensure the items purchases comply with District policies and procedures.

Recommendation(s):

- The reconciliation process should be completed on a monthly basis as outlined in the District's Purchase Card Handbook.
- Receipts from the cardholder should be presented along with the Transaction Log to the bookkeeper to validate the funds expended.

Management's Response

SWES will not request a purchasing card for this school year.