

Fiscal Year 2021

Unannounced Cash Counts at Three Sample Schools

April 16, 2021

Report #2021-01



MISSION STATEMENT

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Teresa Michael, Inspector General

DATE: April 16, 2021

SUBJECT: Fiscal Year 2021 Unannounced Cash Counts at Three Sample Schools

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2020-2021 Work Plan*, we have performed unannounced cash counts at three sample schools between November 16, 2020, and January 21, 2021. The primary objectives of the unannounced cash counts were to determine:

- (1) If all the monies in the drop-safes were properly accounted for, and
- (2) The extent of compliance with District procedures for money collections.

SCOPE AND METHODOLOGY

The unannounced cash counts were performed at three sample schools, and included:

- Examining the contents in the drop-safes and reconciling the amount of cash and checks in the drop-safes with the collection records.
- Reviewing money collection records, including *Drop-safe Logs*, *Monies Collected Reports*, money collection receipts, Internal Funds accounting records, and bank deposit records.
- Reviewing applicable *School Board Policies* and District procedures related to money collections and cash handling at the schools.
- Interviewing school staff.

Since no money was missing and our observations were discussed with the principals during the review, we did not request written management responses from the schools for this report. We appreciate the courtesy and cooperation extended to us by all the school staff during the review. The final draft report was presented to the Audit Committee at its April 16, 2021, Meeting.

BACKGROUND

As part of the ongoing monitoring of the money collection process at schools and follow-up on audit conclusions identified during the Annual Internal Funds Audits, the OIG periodically conducts unannounced cash counts and examinations of the contents in drop-safes at selected schools to determine (1) the extent of compliance with the District’s money collection procedures, and (2) if all monies collected were properly accounted for.

As part of the risk assessment for the Internal Funds Audits of schools, we periodically analyze and compare schools’ money collection and bank deposit records. Based on prior year audit findings and our ongoing analysis of money collection and bank deposit records, three sample schools were selected for unannounced cash counts as follows:

- Lake Shore Middle
- Hidden Oaks Elementary
- Santaluces High

CONCLUSION

No Money Missing

During the unannounced cash counts, we examined the contents in the drop-safes and compared the actual collections in the drop-safes to the collections recorded on the *Drop-safe Logs*. All the schools were found with no money missing.

Table 1
Collections in Drop-safes During Unannounced Visits

Date	School	Collections in Drop-safe
November 16, 2020	Lake Shore Middle	\$0
January 21, 2021	Hidden Oaks Elementary	\$9,738.61
January 21, 2021	Santaluces High	\$3,792.85

All Collections Deposited Into the Schools' Bank Accounts. Subsequent to the unannounced cash counts, the OIG reviewed the bank deposit records and concluded that all collections found in the drop-safes during our unannounced visits were properly deposited into the schools' bank accounts.

Some Collections Not Timely Processed for Deposit. Our review of the schools' money collection and bank deposit records noted that some monies collected as early as January 4 and January 8 at Santaluces High and Hidden Oaks Elementary, respectively, had not yet been processed by the school treasurers for deposit into the schools' bank accounts as of January 20, 2021; i.e. 10 and 12 working days after collection, respectively.

Principals' Responses. During the review, we discussed with the principals the results of the unannounced cash counts and delays in processing collections for deposit into the bank. According to principals, the school treasurers at these schools were absent; thus, not available to prepare deposits for the armored car pickup. As a result, collections were not timely processed for deposit into the bank.

– End of Report –