

**Detroit Public Schools
Office of Auditor General**



**FINANCIAL RELATED AUDIT
OF
BOYNTON ELEMENTARY / MIDDLE
SCHOOL**

School Year 2008-09

REPORT NO: 09-016

RELEASE DATE: June 30, 2009

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BACKGROUND

For School Year 2008 – 2009, approximately 288 students enrolled at Boynton Elementary / Middle School which has grade levels Pre-Kindergarten through Eighth. Ms. Deborah Hurst is the Principal and has been serving in that capacity since 2007.

The bookkeeping function has been performed by Ms. Roxanna Moore since 1975.

Boynton Elementary / Middle School maintains a commercial checking account with Comerica Bank. Primary sources of General School Funds include student activities (National Bata Club, Real Life Firm) and special project funding (e.g. CIS Grant, Title 1 and 31A). Sources of District revenue include Food Services (i.e. lunchroom), Summer School and the Extended Day program.

AUDIT OBJECTIVES

The objectives of the audit were to ensure that:

- 1) The cash management system is effective in controlling the receipt, processing, deposit, and disbursement and accounting of funds to limit any risk of theft, misuse and/or misappropriation, and
- 2) General School funds (*for example, student fees, fundraising activities, grants, etc.*) and District funds (*for example, lunchroom receipts, fines, athletic/league game receipts, summer school tuition, etc.*) are properly accounted for, safeguarded and used as intended.

SCOPE & METHODOLOGY

The scope of the audit was to review the cash management activities from July 1, 2008 through March 31, 2009 for school year 2008-2009.

- 1) Interviewed key school officials to obtain an understanding of their cash management process.
- 2) Prepared a process narrative documenting the controls in place for each source of revenue.
- 3) Reviewed monthly cash receipt and cash disbursement ledgers: If the ledgers did not exist, transaction activities were compiled by totaling cash receipt records and reviewing the check register for cash disbursements.
- 4) Completed a cash receipt ledger template: The ledger was designed to identify funds, which may have been received but not deposited. Performed research as necessary.

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SCOPE & METHODOLOGY (continued)

- 5) Performed a cash count: All cash on hand waiting to be deposited, as of the audit date, was counted under dual control by a field auditor and witnessed by a school official. The count did not include sealed cash for lunchroom deposits.
- 6) Compiled financial data via bank reconciliation templates: Reviewed reconciliations completed by the schools to identify banking irregularities and reconciling items outstanding for an extended period of time. Confirmed bank reconciliations were completed as reported to the Office of Central Accounting.

FINANCIAL SUMMARY

Table 1.1: Cash Receipts from General and District School Funds (July 2008 – March 2009):

CATEGORY	AMOUNT
<u>Commercial Checking Deposits</u>	\$6,675

AUDIT RESULTS IN BRIEF

Based on our audit of the cash management process and review of District and General Fund use, no control weaknesses were noted.

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Our audit was performed in accordance with U.S. General Accounting Office Government Auditing Standards and Standards of the Institute of Internal Auditors.

This report is intended solely for management and should not be used for any other purpose. This restriction is not intended to limit the distribution of the report which is a matter of public record.

A handwritten signature in blue ink, appearing to read 'Odell W. Bailey', with a stylized flourish at the end.

Odell W. Bailey, CIA
Auditor General