

**Detroit Public Schools
Office of Auditor General**



**FINANCIAL RELATED AUDIT
OF
WAYNE ELEMENTARY SCHOOL
School Year 2008-09**

REPORT NO: 09-185

REPORT DATE: June, 2009

**DETROIT PUBLIC SCHOOLS
WAYNE ELEMENTARY SCHOOL
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BACKGROUND

For School Year 2008 – 2009, approximately 475 students were enrolled at Wayne Elementary School which has grade levels Pre-Kindergarten through fifth. Ms. Theresa Matthews was the Principal during this time period and has been serving in this capacity since 2003.

The bookkeeping duties have been performed since 1999 by Ms. Jeanette Carr.

Wayne Elementary School maintains one commercial checking account with Comerica Bank. Primary sources of General School Funds include student activities such as taking students to the Universal Sole Circus and Millennium Theatre, school fundraisers, vending machines, community donations (Joe Corbi Scholarship), and special project funding (Skillman Grant, Title I). The primary sources of District Fund Revenues are the lunchroom collections and Summer School Programs.

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):

ACCOUNT TYPE	AMOUNT
<u>Commercial Checking Deposits</u>	\$84,906

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.

Achievement

Wayne Elementary is a recipient of the *Skillman Foundation Good Schools Grant* with a designation as an Aspiring School. This indicates that they have met criteria such as: (1) Improved MEAP scores with a 5-percent increase over the prior year; (2) Have an average performance in English, math and Science; and (3) Sufficient parental and community partnerships, etc.

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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