FINANCIAL RELATED AUDIT
OF
CHRYSLER ELEMENTARY SCHOOL
School Year 2008-09
REPORT NO:  09-033

REPORT DATE:  June, 2009
BACKGROUND

For School Year 2008 – 2009, approximately 174 students were enrolled at Chrysler Elementary School which has grade levels Kindergarten through fifth grade. Ms. Linda Whitaker was the Principal during this time period and has been serving in this capacity since 2007. The bookkeeping duties have been performed by Ms. Whitaker since 2007.

Chrysler Elementary School has one commercial checking account with Chase Bank. Primary sources of General School Funds include Title 1, 31A UAW Chrysler, picture fundraising activities and special project (e.g. Skillman Foundation). Sources of District revenue include Food Services (i.e. lunchroom).

AUDIT OBJECTIVES

The objectives of the audit were to ensure that:

1) The cash management system is effective in controlling the receipt, processing, deposit, disbursement and accounting of funds to limit the 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 receipts records and reviewing the check register for cash disbursements.

4) Completed a cash receipt ledger template: The ledger is designed to identify funds, which may have been received but not deposited. Performed research as necessary.

5) Performed a cash count: All cash on hand 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.
SCOPE & METHODOLOGY (continued)

6) Compiled financial data via bank reconciliation templates: Reviewed reconciliations completed by school officials 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)

<table>
<thead>
<tr>
<th>ACCOUNT TYPE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Checking Deposits</td>
<td>$56,687</td>
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</tbody>
</table>

AUDIT RESULTS IN BRIEF

Based on our audit of the cash management process, we noted no control weaknesses:

Achievement

Chrysler Elementary School is a recipient of the *Skillman Foundation Good Schools Grant* with a designation as a *High Performing School*. This indicates that they have met criteria such as: (1) Meeting or exceeding grade-level expectations in English, math and science; (2) Offering challenging curricula to all students; and (3) Demanding consistent attendance and punctuality from all students, etc.
Our audit was performed in accordance with U.S. General Accounting Office Government Auditing Standards and Standards of the Institute of Internal Auditors.

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Odell W. Bailey, CIA
Auditor General