

Detroit Public Schools
Office of the Auditor General



FINANCIAL RELATED AUDIT
OF
HEILMANN PARK MIDDLE SCHOOL
School Year 2008-09

REPORT NO: 09-101

REPORT DATE: June, 2009

**DETROIT PUBLIC SCHOOLS
HEILMANN PARK MIDDLE SCHOOL
FINANCIAL AUDIT
REPORT NO. 09-101**

BACKGROUND

For School Year 2008 – 2009, approximately 578 students enrolled at Heilmann Park Middle School which has grade levels 6th thru 8th. Ms. Cheryl Harshaw was the Principal during this time period and has been serving in that capacity since 2004. The bookkeeping duties have been performed since 2008 by Ms. Stacie Wilson.

Heilmann Park Middle School maintains one commercial checking account with Chase Bank. Primary sources of General School Funds include vending machines, school fundraisers and district grants (Title 1 and Parent Involvement). The primary sources of District Fund Revenues are the lunchroom collections and the 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 complied 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.
- 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 example, lunchroom deposits.

**DETROIT PUBLIC SCHOOLS
HEILMANN PARK MIDDLE SCHOOL
FINANCIAL AUDIT
REPORT NO. 09-101**

SCOPE & METHODOLOGY (continued)

- 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>	\$ 9,462

AUDIT RESULTS IN BRIEF

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

**DETROIT PUBLIC SCHOOLS
HEILMANN PARK MIDDLE SCHOOL
FINANCIAL AUDIT
REPORT NO. 09-101**

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', is positioned above the printed name.

Odell W. Bailey, CIA
Auditor General