



# Office of Internal Compliance (OIC)

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***Audit Committee Meeting***

***June 25, 2020***

***2:00 PM***

Presented By: Connie Brown  
Executive Director – Office of Internal Compliance

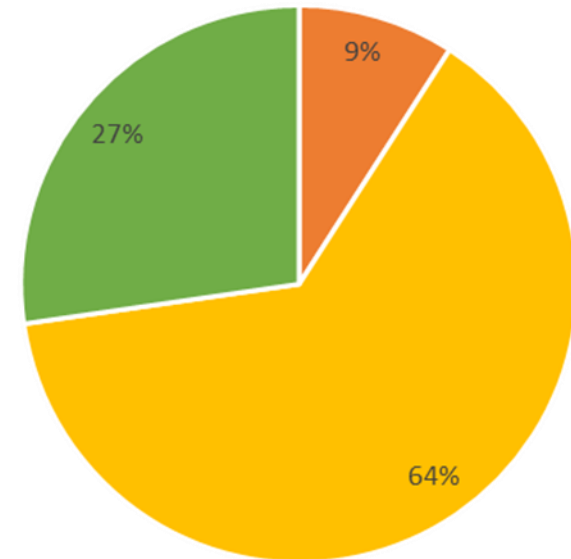
# Content

- OIC Update
  - ☐ SY2020 Audit Plan Update
  - ☐ Audit Report Discussions
    - ☐ MCAAF Audits (School Audits)
    - ☐ IT Third Party Review
  - ☐ Entity Wide Risk Assessment
  - ☐ Proposed SY2021 Audit Plan
  - ☐ OIC SY2021 Approved Budget
- Executive Session

# SY2020 Audit Plan Update

Project Name	Status 6/30/2020
<b>Miscellaneous Cash Activity Account Funds (MCAAF) Audits</b>	
Bejamin E. Mays HS	Completed
Booker T. Washington	Completed
Maynard H. Jackson	Completed
Mary Lin ES	Completed
Sutton MS	Completed
Morris Brandon ES	Completed
John Lewis Invictus Academy MS	Completed
School 8	Cancelled
School 9	Cancelled
School 10	Cancelled
School 11	Cancelled
School 12	Cancelled
Payroll Audit	In Process
Athletics	Completed
Transportation - Parts Vendor Oversight	Cancelled
Parking Lot Funds Process & Cash Management Review	Completed
P-Card Continuous Auditing (Quarterly)	Completed
Lawson ERP Upgrade Implementation Review	In Process
Entity-wide Risk Assessment	Completed
IT Risk Assessment	Completed
IT Audit - Vendor Management/Third-Party Review	Completed
IT Audit - Security and Vulnerability Review	Completed
<b>Recurring Projects</b>	
Investigations	Ongoing
Audit Follow Up	Ongoing

Audit Plan Status  
6/30/2020



■ In Process   
 ■ Completed   
 ■ Cancelled

# SY2020 Audit Plan Update



Project Name	Budget Hours	Actual Hours	Variance Over (Under)	Comments
<b>Miscellaneous Cash Activity Account Funds (MCAAF) Audits</b>				
Benjamin E. Mays HS	40	104	64.00	Obtaining reporting data from SABO and/or IT during the planning phase; more detailed audit procedures and workpaper documentation; more time spent obtaining Corrective Action Plans that addressed the risks and issues; more documentation available for review
Booker T. Washington	40	90.75	50.75	
Maynard H. Jackson	40	109.75	69.75	
Mary Lin ES	40	73	33.00	
Sutton MS	40	71.5	31.50	
Morris Brandon ES	40	70.5	30.50	
John Lewis Invictus MS	40	85.25	45.25	
Athletics	400	562.5	162.50	Decentralized nature of the activity; lack of documentation (processes and source), data/exception validation; unexpected inclusion of other areas (DIG and Registrars)
Parking Lot Funds Process & Cash Management Review	200	442.5	242.50	Decentralized nature of activity; parking feasibility study; Internal reviews
P-Card Continuous Auditing (Quarterly)	200	392.5	192.50	First time Tableau users; new Tableau test scripts; refining test scripts; internal reviews
Entity Risk Assessment	120	105	(15.00)	
IT Risk Assessment	180	96	(84.00)	
IT Audit - Vendor Management/Third-Party Review	100	106	6.00	Corrective Action Plan Discussions
IT Audit - Security and Vulnerability Review	280	299	19.00	Corrective Action Plan Discussions
<b>Recurring Projects</b>				
Investigations	200	0	(200.00)	
Audit Follow Up	300	110	(190.00)	

# Summary of Findings

# MCAAF – General Administration



Audit Section	Audit Observations									Grand Total	Finding Percentage
		Mary Lin ES	Brandon ES	Sutton MS	BTW HS	John Lewis Invictus (JLIA)	Maynard Jackson HS	Mays HS			
<b>General Administration</b>											
	No Sponsorship Agreement form completed and on file for the Sponsor; Sponsorship Agreement form not approved by the Principal.	✓	✓	✓	✓	✓	✓	✓	7	100%	
	No evidence of school administered Sponsor training on file; All Sponsors did not attend the Sponsor training conducted by School Administration.	✓	✓	✓	✓	✓	✓	✓	7	100%	
	Sponsorship Agreement (receipt book log out form) not on file and/or no evidence of receipt book issuance to Sponsor.		✓		✓	✓	✓	✓	5	71%	
	School funds collected by 2 parents and not by the Sponsor.	✓							1	14%	
	Bookkeeper and Clerk collected funds and receipted themselves in SABO posing a segregation of duties issue.			✓					1	14%	
	Request for Fund Raising Project Form not completed, properly approved and/or approved after the event occurred.			✓		✓	✓		3	43%	

# MCAAF- Cash Receipts/Deposits



Audit Section	Audit Observations									Grand Total	Finding Percentage
		Mary Lin ES	Brandon ES	Sutton MS	BTW HS	John Lewis Invictus (JLIA)	Maynard Jackson HS	Mays HS			
Cash Receipts/Deposits											
	Funds not submitted daily to the Secretary by the Sponsor; Funds were sent to the bank by the Secretary before posting into SABO.	✓	✓	✓		✓	✓	✓	6	86%	
	Basketball, cheerleading, and track/field student athletes paid sport fees/dues to the Booster Club and did not deposit funds with the Secretary. The Principal and the Athletic Director were aware of this practice.						✓		1	14%	
	No written documentation to verify the count of funds between the Sponsor and the Secretary before generation of SABO receipt; No evidence of deposit logged into the Dunbar log book by the Secretary.	✓	✓						2	29%	
	Receipts were verified for deposit by the same person who received and recorded the cash (i.e. no second verifier identified).	✓	✓	✓	✓	✓	✓	✓	7	100%	
	Incomplete or missing supporting documentation for receipts (i.e. ticket taker report form, donation form, receipt collection form).					✓	✓	✓	3	43%	
	Secretary wrote receipts from receipt book to Sponsors; Secretary receipted self when posting several Sponsors' receipts to SABO which misrepresented the source of funds.						✓		1	14%	

# MCAAF – Check Disbursements



Audit Section	Audit Observations	Mary Lin ES	Brandon ES	Sutton MS	BTW HS	John Lewis Invicus (JLIA)	Maynard Jackson HS	Mays HS	Grand Total	Finding Percentage
Check Disbursements										
	Purchases were made prior to written approval from Principal. (i.e. Disbursement Pre-Authorization Request form and/or Disbursement Request not signed, not properly completed or not on file).	✓	✓	✓	✓	✓	✓	6	86%	
	Budget approval not obtained for checks over \$2,000 ES, \$5,000 MS or \$10,000 HS.	✓						1	14%	
	Check exceeding budget limit approved by Principal prior to obtaining approval from Accounting Services.		✓					1	14%	
	Missing supporting documentation for checks (i.e. invoices, itemized receipts, sales slips).					✓		1	14%	
Grand Total		8	7	8	5	7	11	7	53	



# SY2021 Budget

# OIC SY2021 Budget



	SY2020	SY2021
Personnel	\$ 482,442	\$ 639,407
Non- Personnel		
Purch Prof & Tech Svc	\$ 358,432	\$ 157,646
Travel Employees	\$ 4,000	\$ 16,800
Supplies	\$ 9,250	\$ 2,800
Supplies Tech Related	\$ -	\$ 500
Expend Computer Equip	\$ 2,500	\$ -
Dues and Fees	\$ 5,000	\$ 1,390
Total	\$ 379,182	\$ 179,136
Grand Total	\$ 861,624	\$ 818,543
% change	2%	-5%
Per Pupil	\$ 16.89	\$ 16.86
Total Positions	4	5

# SY2021 Proposed Audit Plan

# SY2021 Proposed Audit Plan



## Recurring and ongoing activities

- Miscellaneous Cash Activity Funds (MCAAF) Audits (approximately 5 Schools)
- P-Card Continuous Auditing
- Ethics & Compliance Hotline Oversight
- Quality Assessment Review (QAR)
- Investigations

# SY2021 Proposed Audit Plan



## Carryover Audit Projects from SY2020

### **Payroll Audit**

- Determine if the payroll process provides for adequate segregation of duties and that established internal controls over the payroll process are functioning as designed.

### **Lawson ERP Upgrade Implementation Review**

- Determine if expected business outcomes and benefits were clearly identified, accountability established, and realization monitored.
- Determine if appropriate project management disciplines were applied to ensure that the solution would be delivered on time, on budget, would satisfy the stated requirements and the district would be adequately prepared.

### **Transportation – Parts Vendor Oversight**

- Determine if the contract is being executed in accordance with the intent, to include but not be limited to management oversight and financial controls.

# SY2021 Proposed Audit Plan



## SY2021 New Audit Projects

### **Grant Compliance/Management Program Review**

- Determine if sufficient internal controls are in place and operating as management intends; administration of grants is effective and efficient.

### **Follow-up on open recommendations**

- Verify implementation of Management's Corrective Action plans (CAP). OIC will need to follow up on over 60+ open management

# Questions

