

**MONROE COUNTY
DISTRICT SCHOOLS**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

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**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

To the School District of Monroe County:

We have performed the procedures enumerated below, which were agreed to by the School District of Monroe County ("District"), solely to assist you in obtaining assurance of the adequacy of the internal control structure and compliance with District policy and procedures for the District's daycare program operated at Horace O'Bryant School for the period July 1, 2014 to March 31, 2015. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We obtained and verified the accuracy of the information on the schedule of receipts and deposits prepared by the District by performing the following procedures:
 - a. Verified receipts issued by obtaining the daycare receipt books and comparing the receipts issued by number, customer, date and amount to the District's schedule of receipts and making note of type of payment.
 - b. Verified the amounts deposited to the School's District bank account by tracing the deposit amount listed on the schedule of receipts to the validated deposit slip and to the School's District bank account.
 - c. Verified the total amount of receipts and deposits made by totaling all receipts by type of payment and totaling all deposits made and compared to the District's schedule of receipts. As indicated by our review and the District's schedule of receipts, the total amount of collections per daycare receipts was \$62,298 as compared to the total deposits of \$41,559. Thusly, the total bank deposits were shown to be \$20,739 less than total documented receipts for the period tested
 - d. In order to verify the collection of fees were properly documented, we conducted corroborative inquiry of management and staff involved with the daycare program to determine that District policies were being followed and that collection of fees were being properly documented. The results of our interview with the School's Daycare Manager revealed that, according to her, for a vast majority of receipts written, the cash receipts were written for more than the actual cash collected. She states that the amount written on these cash receipts were for the weekly standard charge and not the actual money received. Based on the records reviewed and inquiry, we determined that the collection of fees was not properly documented.

- e. We selected a sample attendance records to determine that the student was in attendance for the period covered by the daycare program's receipts by tracing that student to the sign in/out sheet maintained by the daycare manager.
2. Internal controls were deficient in the collection and deposit of daycare fees with regard to the segregation of functions among employees as follows:
 - The District's policies and procedures require that signed transfer documents are used to evidence the transfer of cash. The transfer of all funds to the bookkeeper is documented by the preparation of a Report of Monies Collected. This should involve the counting of cash collected by two individuals and the signing of the applicable reports to verify the agreement of the amount being receipted. Our review disclosed that Monies Collected Forms were not being completed, resulting in a lack of evidence supporting cash receipts being verified by two individuals. The Daycare Manager placed collections in a bank bag in the School bookkeeper's locked drawer each week. The bookkeeper prepared the deposit slip, made the deposit, then returned the validated deposit slip to the Daycare Manager. Beginning in March 2015, the Daycare Manager and Bookkeeper began properly documenting the transfer of cash collections by preparing Monies Collected Forms for all amounts being receipted.
 - The District's policies and procedures require daily collections by the Daycare Manager to be remitted to the bookkeeper at the end of each business day and deposits to be made daily. Our review disclosed that the collections by the Daycare Manager were not remitted to the School's bookkeeper at the end of each business day, resulting in deposits being made once per week and not on a daily basis.
 - The District's policies and procedures require parent/student receipts issued by the Daycare Manager to be complete and include all pertinent information to document the receipt of payment. This includes documenting the parent/student name, date of receipt, amount, and form of payment (i.e. cash, check or money order). Our review disclosed that the Daycare Manager receipts did not include the date of collection, resulting in the receipts not being complete and properly documented. Beginning in March 2015, the Daycare Manager began properly documenting the receipt of payments by including the date of collection on the Daycare Manger receipts.
 - The District's daycare program at Horace O'Bryant participates in the Early Learning Coalition ("ELC") program. The ELC program helps provide opportunities to children whose parents are economically disadvantaged; children who have been determined to be at risk of abuse or neglect; and children with disabilities. The ELC provides supplemental payments to the District's daycare program, to help parents provide daycare for their children. The Daycare program bills the ELC for the actual day of attendance of each qualifying child. Our review disclosed that billings for the ELC were not being processed in a timely manner. As of the date of our visit, the billings were approximately six months in arrears.

We discussed this with District Finance personnel and they suggested that these billings once processed could account for a majority of the \$20,739 difference in receipts and collections mentioned above. Based on this discussion, the District Finance personnel is conducting an analysis of fees due from the ELC program.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance with the terms of the respective daycare program operated at Horace O'Bryant School of the School District of Monroe County. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the School District of Monroe County, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

King & Walker, CPAs

May 10, 2015
Tampa, Florida