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**WASHINGTON PARISH SCHOOL BOARD
FRANKLINTON PRIMARY SCHOOL
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 16 2000

Durden and Alongo

CERTIFIED PUBLIC ACCOUNTANTS

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WASHINGTON PARISH SCHOOL BOARD
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Washington Parish School Board
Franklinton, LA

We have performed the procedures listed below, which were agreed upon by the Washington Parish School Board and Superintendent. These procedures were performed solely to assist the school board office with respect to compliance with policy and procedures concerning individual school activity accounts and school property inventory. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We tested inventory records to determine the physical existence of property as listed on the school's property inventory report and to determine that property at the school was included on the inventory list. We also inspected property items to determine if they were identified as property of the school and numbered in accordance with the property inventory list. We examined the records for the schools' activity accounts. Three months of bank reconciliations were tested for completeness and mathematical accuracy. Disbursements were tested for proper use of requisitions, purchase orders and supporting documentation in relation to the school board policies and procedures. We tested bank deposits against receipts for propriety and traced them to the activity account ledger. We calculated gross profit percentages on concession sales and performed reasonableness test on other receipt categories where applicable.

FRANKLINTON PRIMARY SCHOOL

Bank Reconciliation - Each month tested was mathematically correct, all reconciling items proper, and the reconciled balance equaled the activity

account ledger. Beginning and ending balances were traced to prior and subsequent year balances to verify proper cutoffs with transactions recorded in the proper period and balances carried forward properly. There were no exceptions to school board policy concerning bank reconciliation procedures in the months we tested.

Cash disbursements - Most items tested were supported by an invoice and purchase order, 14% were not also, requisition forms were not used in most instances. Invoices and purchase orders were signed by the principal for the majority of the items tested. Transfers between accounts were not properly documented. Several disbursements were coded to improper accounts.

Cash receipts – Cash receipts appear to be properly accounted for and timely deposited, however, documentation is difficult to follow. Accounting records need to be safeguarded in a more conscientious manner, as receipts for July 1, 1998 through October 31, 1998 could not be located for our examination.

Concessions - We calculated the gross profit percentage for the school's concession operations for the school year to be 30.22%. All invoices for concession purchases were paid on a current basis, and receipts appear to be properly accounted for. The gross profit from school pictures was 41.35%.

Fixed asset inventory – Fixed assets were randomly selected from the inventory list and also from the school's premises. Seventy-three items were selected from the list and we were able to locate 82% of the items. One hundred thirty seven items were selected from the school's premises and we were able to locate 74% of the items. The assets were broken down by building and then by room number; however room numbers had been moved to other buildings and the room numbering system was not in any particular order. Assets had been transferred between rooms and were difficult to find. There was an unusual amount of items picked from the school premises that could not be located on the inventory list. Purchases of fixed assets (equipment costing more than \$150) from activity accounts have not been submitted to the school board for inclusion on the inventory list. We suggested that an inventory addition sheet be attached to the paid invoice to indicate that the item has been added to the inventory list and that the precise location on the list and the school premises is noted. All items found were tagged and identified as property of Franklinton Primary School. It would appear that control over the fixed inventory list needs some improvement in the area of transfers and activity account purchases.

Prior report findings –

95-1 Purchase requisition forms not properly used, partially resolved.

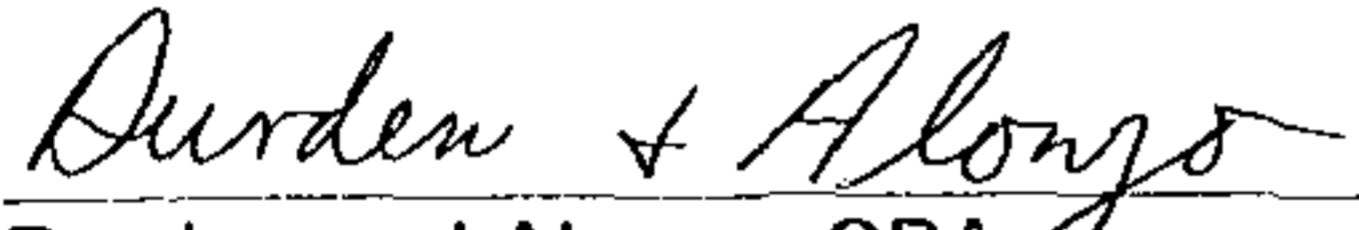
95-2 Principal is required by school board policy to sign all invoices and was not in compliance. Resolved.

- 95-3 Requisition/ purchase order/ invoice procedure not strong and defacing purchase order not invoice. *Partially resolved.*
- 95-4 Cash receipts documentation does not provide a proper audit trail. Unresolved.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. 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 use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Yours truly,


Durden and Alonzo, CPAs

October 11, 1999

DENNIE FOWLER
SUPERINTENDENT

HAROLD R. SMITH
PRESIDENT

Washington Parish School Board

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January 13, 2000

Mr. Daniel G. Kyle, CPA, CFE
Legislative Audit Advisory Council
State of Louisiana
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Kyle:

Please be advised that corrective action has been taken regarding findings from the recent audit performed at Franklinton Primary School in the Washington Parish School System. Franklinton Primary School has a new principal who is adjusting to new areas of responsibility. I feel this factor, alone, contributed to some of the errors made at this school. All problems found have been addressed, and suggestions have been given to responsible parties at the school. The firm of Durden and Alonzo has held meetings with the faculty, as well as office personnel, reviewing and outlining the proper procedures and corrective action to ensure compliance with all accounting procedures.

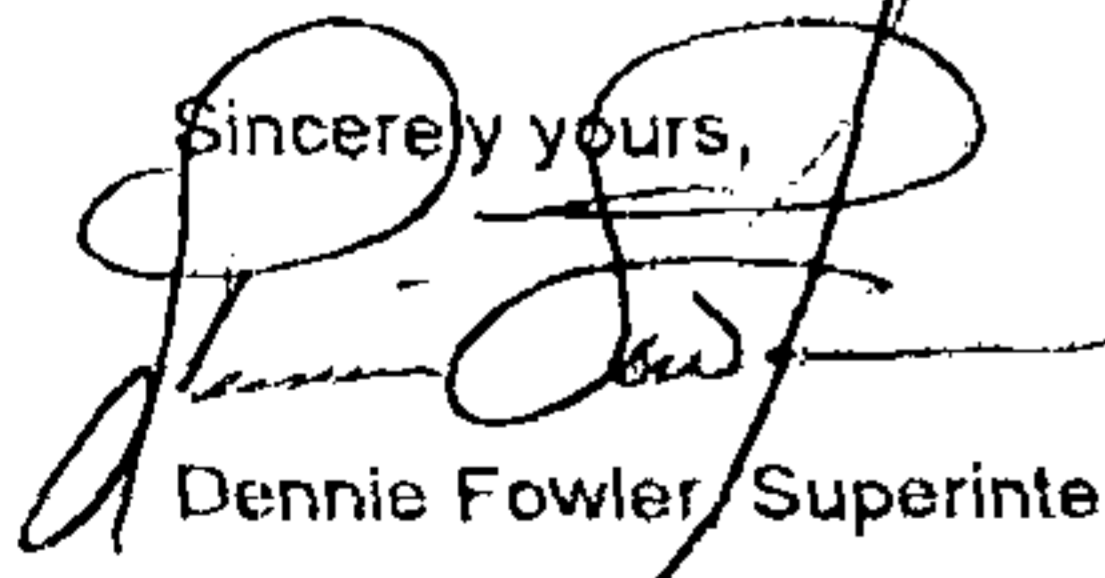
Cash Disbursements - Requisition forms were not used in most instances, and transfers between accounts were not properly documented. These items have been addressed and corrected.

Cash Receipts - Documentation of cash receipts was difficult to follow. This has been addressed with personnel.

Fixed Assets - An inventory addition sheet placed with the paid invoice should correct problems found with fixed assets. Transfers of items from room to room will be more closely observed in order to account for proper documentation.

Franklinton Primary School will be monitored from the central office accounting personnel. In general, I feel that most problems were minor and probably caused by new personnel growing accustomed to a heavy load of responsibilities.

Sincerely yours,



Dennie Fowler, Superintendent

DF:rp

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