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WASHINGTON PARISH SCHOOL BOARD  
PINE HIGH SCHOOL  
THOMAS JUNIOR HIGH 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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*William R. Durden*

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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 at two parish schools. 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 reconciliation forms 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 pre-numbered 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.

**PINE HIGH SCHOOL**

Principal – Ed Deas July 1, 1999 – Present

Secretary – Pam Breland

Period tested – July 1, 1999 – November 30, 1999

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 month 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. There were no school activity accounts with deficit balances.

Cash disbursements – For the period examined, twenty-four cash disbursements were tested and all but two were issued in compliance with school board policy. The two items not in compliance had invoice dates prior to the purchase order and requisition date. There was one disbursement for travel reimbursement in the general account during the period tested. The majority of items examined were properly approved, documented and recorded in the proper accounts of the school. Requisitions, purchase orders, and invoices were signed by the principal for all of the items tested. The records were neat and orderly, allowing the verification process to be accomplished in an efficient manner. Pine High School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Deposits are made daily. Procedures for safeguarding and accounting for cash receipts were very good. Receipts are balanced with the daily recap and properly recorded in the activity account ledger. Deposit tickets were complete and agreed with the daily report. The deposit slips were attached to the daily receipts recap and the receipt numbers were listed on the daily recap also. From the evidence examined, Pine High School appears to be in compliance with school board policies regarding cash receipts.

Ticket reconciliation forms and pre-numbered tickets were utilized for all athletic events. We verified their mathematical correctness and proper accounting for ticket inventory. Pine High School counts and deposits, by night deposit, their gate and concession receipts the night of the event

Concessions – Pine High School has a “full service” contract with the Coca Cola Bottling Co. for the operation of its drink machines. Commissions from these machines for the period tested were \$2,345. We calculated the gross profit percentage for the school’s concession operations for the period July 1, 1999- November 30, 1999 to be 25.44%. The gross profit percentage for the period July 1, 1998 through December 31, 1998 was 26%. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Prior year findings – December 31, 1998

1. Purchase procedure, requisitions, and purchase orders not issued in compliance with school board policy. The finding appears to be corrected, as evidenced by the statements above.

2. Travel reimbursements paid from school activity funds, not school board funds. With the one exception, which according to Mr. Deas was approved by the school board, travel reimbursement is not being made from school activity funds.

Fixed asset inventory - We examined a sample of items from the property inventory list for its physical existence on school property and for the appropriate identification markings. The assets on the inventory list were broken down by building and then by room number; however items were not easily located because of the numerous transfers between rooms and to other schools. We located 72% of the items we selected from the inventory list and 58% of the items we selected from the school premises. All items found were tagged and identified as property of Pine High School. There appears to be confusion as to who is responsible for maintaining the inventory list. Purchases of fixed assets (equipment costing in excess of \$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 the precise location on the list *and the school premises is noted. It would appear that there is still some work that needs to be done to the fixed asset inventory at Pine High School. Someone needs to be assigned to handle the inventory list. They must ok all transfers and submit the transfers to the school board. They should obtain a detail inventory at the beginning and end of each school year for each room, and update the fixed asset inventory list at the end of each year.*

### **THOMAS JUNIOR HIGH SCHOOL**

Principal – Steve Knight

Secretary – Debra Creel and Diane Barber

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 month activity ledgers 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 – For the period examined, twenty cash disbursements were tested and all but two items were issued in compliance with school board policy. The two items not in compliance had invoice dates prior to the purchase order and requisition dates. All items examined were properly approved, documented and recorded in the proper accounts of the school. Requisitions, *purchase orders, and invoices were signed by the principal for all of the items tested.* The records were neat and orderly, allowing the verification process to

be accomplished in an efficient manner. Thomas Junior High School appears to be in compliance with the purchasing policies and procedures of the Washington Parish School Board.

Cash receipts - Deposits are made daily. Procedures for safeguarding and accounting for cash receipts were very good. Receipts are prepared for all cash receipts but some were not signed by the person receiving the money or by the person delivering the money. Thomas Junior High School uses an office deposit form that is signed by the person turning in the cash receipt. If there is no office deposit form prepared, the computer-generated receipt must be signed. Receipts were evident for all collections, balanced with the daily recap, properly recorded in the activity ledger and deposited per bank. We suggested that receipt numbers inclusive of the daily recap be entered on the recap sheet and a copy of the verified deposit slip also be attached to the daily recap.

Ticket reconciliation forms and pre-numbered tickets were utilized for all athletic events. We verified their mathematical correctness and proper accounting for ticket inventory. Thomas Junior High counts and deposits, by night deposit, their gate and concession receipts the night of the event.

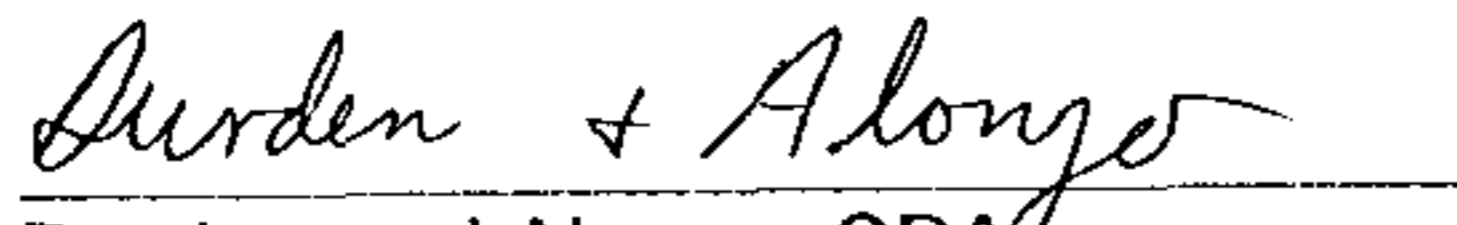
Concession – For the period tested (1/1/99-6/30/99) the gross profit from concessions was calculated to be 31.19%. The gross profit percentage for the period July 1, 1998 through December 31, 1998 was 28.13%. All invoices for concession purchases were paid on a current basis and receipts appear to be properly accounted for.

Fixed Asset Inventory – Fixed assets were randomly selected from the inventory list and also from the school's premises. Sixty items were selected from the list and we were able to locate 85% of the items. Fifty-five items were selected from the school's premises and we were able to locate 75% of the items. The assets on the inventory list were broken down by building and then by room number; however items were not easily located because of the numerous transfers between rooms. 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 in excess of \$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 Thomas Junior High School. It would appear that control over the fixed inventory list needs some improvement in the area of transfers and activity account purchases. Other than these two items the fixed asset list was properly recorded.

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,

  
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Durden and Alonzo, CPAs

December 17, 1999

DENNIE FOWLER  
SUPERINTENDENT

HAROLD R. SMITH  
PRESIDENT

# Washington Parish School Board

P.O. BOX 587  
FRANKLINTON, LOUISIANA 70438  
(504) 839-3436 FAX # (504) 839-5464

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 the findings from recent audits performed at Pine High School and Thomas Jr. High School in the Washington Parish School System. One critical factor noted in each of the schools checked was that new personnel and assignment of accounting procedures or duties had recently occurred. I feel this factor, alone, contributed to some of the errors made at each school. All problems found have been addressed, and suggestions have been given to responsible parties at each school. The firm of Durden and Alonzo has held meetings with the faculties of each school, as well as office personnel, reviewing and outlining the proper procedures and corrective action to ensure compliance with all accounting procedures.

Pine High School:

Fixed Asset Inventory - An assignment has to be made to make someone responsible for fixed assets, as there was a change in personnel. Also, a form to report additions of new equipment will be placed with the paid invoice, so immediate attention can be given to this problem.

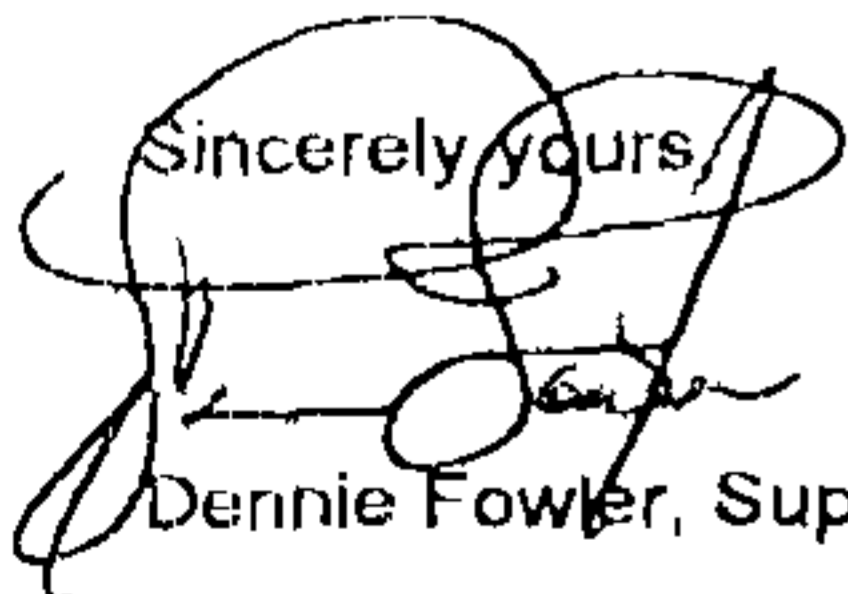
Thomas Jr. High School:

Cash Receipts - A fairly minor problem with cash receipts has been addressed with the new principal. Receipt numbers inclusive of the daily recap will be entered on the recap sheet, and a copy of the verified deposit slip will be attached to the daily recap.

Fixed Assets - An inventory addition sheet will be placed with the paid invoice to help improve accounting for new items purchased. A closer observation of transfers between rooms and noting the changes on inventory will be done.

Each school in which problems have been noted 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

DISTRICT 1 - HAROLD R. SMITH  
DISTRICT 2 - KARL L. BICKHAM, JR.  
DISTRICT 3 - BRUCE L. BROWN

DISTRICT 4 - RICHARD N. THOMAS, JR.  
DISTRICT 5 - HAYWARD D. BOONE  
DISTRICT 6 - SUBANNE JONES

DISTRICT 7 - HOLLY M. JAMES  
DISTRICT 8 - JUANITA S. BARKER  
DISTRICT 9 - FREDDIE H. JEFFERSON