

April 22, 2020

Clarence C. Kegel, Jr
Kegel Kelin Almy & Lord, LLP
24 North Lime Street
Lancaster, PA 17602

DO NOT COPY OR DISCLOSE TO UNAUTHORIZED PARTIES

Re: Phoenixville Area School District Forensic Investigation Report

Dear Mr. Kegel:

At your request, we have investigated potential misappropriations by Christopher Gehris,¹ the former Business Manager of the Phoenixville Area School District (the "PASD"). We have performed our procedures in accordance with our engagement letter dated October 29, 2019. This report is comprised of the following sections:

1. Summary of Findings
2. Scope and Procedures
3. Unauthorized Expenditures
4. Child Nutrition Financial Reports
5. Control Observations and Recommendations

1. SUMMARY OF FINDINGS

Based on our analysis and procedures performed to date, EisnerAmper observed the following:

- In total we quantified unauthorized and unsupported disbursements directed by Mr. Gehris from PASD's bank accounts totaling \$22,176 from July 1, 2017 through August 31, 2019, which are summarized in the table below:

¹ Mr. Gehris resigned from PASD on September 12, 2019.

PRIVILEGED AND CONFIDENTIAL



TABLE 1: SUMMARY OF UNAUTHORIZED AND UNSUPPORTED DISBURSEMENTS

Account	Amount
BB&T Disbursements	\$4,875
Phoenixville Federal Bank & Trust Disbursements	8,801
PSDLAF ² Disbursements	8,500
Total	\$22,176

- We have not identified any unauthorized transactions other than what PASD had found during the scope period of July 1, 2017 through September 30, 2019;³
- There are several variances between the Child Nutrition Financial Reports filed for FYE June 30, 2017 and FYE June 30, 2018 and the Annual Financial Reports and the Audited Financial Statements of the District.
- Mr. Gehris did not have any activity on the Capital One credit card issued in his name during the scope period; and
- PASD did not have sufficient written accounting procedures or segregation of duties within the business administration office. Our recommendations for control improvement and areas of additional inquiry are detailed later in this report.⁴

The findings summarized above are discussed in more detail through the remaining parts of this report and accompanying exhibits.

2. SCOPE AND PROCEDURES

EisnerAmper was engaged to investigate allegations of misappropriations of assets at PASD and to perform a control review of certain key financial functions. Our procedures included analyzing select books and records of PASD from July 1, 2017 through September 30, 2019 and included the following:

² Pennsylvania School District Liquidity Asset Fund manages PASD investments including cash management and checking accounts. PSDLAF uses PNC for some of its services including receipt of deposits and clearing of checks.

³ The internal report prepared by Ms. Rockwood mentioned two additional cash transactions in the aggregate amount of \$750 that do not appear in accounting records, and a reimbursement of \$394.99 that did not have adequate supporting documentation. However, these transactions are not addressed in detail in our report because they occurred during the time period prior to the scope of our engagement.

⁴ See Exhibit 1.



- Held multiple discussions/email correspondence with PASD employees Richard Fazio, Dolores D'amore, Mary Jane Weiss, Karen Maher, Dr. Fegley, Sylvia Rockwood and Matt Gionta;
- Interviewed former PASD employee Jean Szegedy, who previously reported to Mr. Gehris;
- Analyzed the Child Nutrition Financial Reports for the years ending June 30, 2017 and June 30, 2018;
- Analyzed the Annual Financial Reports for the years ending June 30, 2017 and June 30, 2018;
- Analyzed Sylvia Rockwood's internal investigation report;
- Analyzed the specific transactions identified by PASD during Ms. Rockwood's investigation;
- Analyzed Capital One Corporate Card statements from December 17, 2017 through September 30, 2019;
- Analyzed PSDLAF, BB&T and Phoenixville Federal bank account statements from July 1, 2017 through September 30, 2019;
- Analyzed the Phoenixville Federal bank account statements from July 1, 2017 through September 30, 2019 for the middle school and high school student activities accounts;
- Analyzed various reports generated from the Skyward accounting system ("Skyward"), including: general ledgers, trial balances, vendor disbursements, vendor master file and check registers from July 1, 2017 through September 30, 2019; and
- Conducted process walkthroughs of the cash and accounts payable processes.

In addition to the above, we performed the following specific analyses that did not identify any additional areas of inquiry:

- Reviewed the vendor master file and did not identify any vendors associated with Mr. Gehris' address;
- Analyzed activity in the Other Long Term Liabilities account as certain unauthorized and unsupported transactions were recorded in this account;
- Analyzed a sample of manual accounting entries which reduced cash by even dollar amounts to identify any potential irregularities or misappropriations;
- Compared Mr. Gehris' direct deposit banking information (e.g. bank account and routing number) to other PASD employees and did not identify any other PASD employees using the same direct deposit identifier; and



- Analyzed monthly tax receipts, expenditures and payroll over the scope period to identify additional potential anomalies.

3. DETAIL OF UNAUTHORIZED EXPENDITURES

A. BB&T DISBURSEMENTS

PASD maintains a bank account at BB&T which is labeled as a "Public Fund" on the bank listing provided to us by Mr. Fazio. During the Scope Period this account had no activity other than monthly interest and the two unauthorized transactions noted below. This account⁵ accrued monthly interest until July 2018 ranging from \$9.66 to \$96.23. When the interest rate increased above 1%, from July 2018 to present, the account has been earning in excess of \$1,200 in interest per month. After the interest rate increased, two checks made payable to cash, which were drawn against this account on December 3, 2018 and on August 1, 2019. As noted previously these two checks were the only disbursements from this account, and neither check was recorded in PASD's Skyward accounting system. Based upon a review of the check copies contained within the bank statements, both checks appear to be signed by Mr. Gehris. The monthly Board packages during the scope period rarely contained any information about this account and these disbursements were not disclosed.

Table 2 summarizes unauthorized disbursements to Mr. Gehris from the BB&T bank account.

TABLE 2: SUMMARY OF UNAUTHORIZED BB&T DISBURSEMENTS		
Check Number	Date	Amount
8798804	12/03/2018	\$2,000
7028931	08/01/2019	2,875
		Total \$4,875

Check Number 8798804 for \$2,000

The December 2018 monthly statement from BB&T identified a check drawn against the account in the amount of \$2,000 on December 3, 2018. According to the bank statement, which included a front and back copy of the

⁵ The balance of the BB&T account was \$1,278,244.65 as of October 31, 2019.



cancelled check, the check was made payable to "Cash". The December 2018 Board package included a balance for the BB&T account, which matched the December BB&T statement including the withdrawal of the \$2,000 check. An unsupported journal entry was recorded in Skyward on January 1, 2019, effective December 31, 2018, reducing the balance of the BB&T account by \$481.66. \$481.66 plus \$1,518.34 of interest earned in December 2018, which was not recorded in Skyward as an addition to the account balance, but was included in the bank statement, equals \$2,000. While the bank balance included an unauthorized disbursement of \$2,000, the books only reflected a reduction of \$481.66, as the monthly interest had not been recorded in Skyward as an addition to the account.

Check Number 7028931 for \$2,875

The August 2019 monthly statement from BB&T identified a check drawn against the account in the amount of \$2,875 on August 1, 2019. According to the bank statement, which included a front and back copy of the cancelled check, the check was made payable to "Cash." There was not a journal entry recorded in Skyward to reflect this disbursement.⁶ Further, the August 2019 Board Package did not include a balance for the BB&T account.

We reviewed other PASD accounts and did not identify a corresponding, deposit of these funds indicating an inter-account transfer. Further, there were no other journal entries recorded in Skyward other than the monthly interest and the December 2018 journal entry noted above.

In addition to the unrecorded disbursements, not all of the interest earned in this account was recorded in Skyward. Interest earned in FYE June 2019 on the BB&T account was \$17,665.73, while only \$16,147.39 was recorded in Skyward. This difference of \$1,518.34 is part of the \$2,000 check written during December 2018. Further, no interest was recorded in Skyward for this account during the period July through September of 2019 for a total difference of \$5,948.57. This total difference could have been available to Mr. Gehris for additional

⁶ The recording of a disbursement in the bank statement without a corresponding journal entry to record the transaction in Skyward would result in an unreconciled difference on a month-end bank reconciliation. It is our understanding that during the Scope Period PASD did not complete monthly bank reconciliations for this account.



unauthorized checks due to the difference in the bank balance and the amount recorded in Skyward. However, the only disbursement on the bank statement during this period was the August 2019 check noted above.

It should also be noted that we understand that the evening that Mr. Gehris was placed on administrative leave, someone attempted to login to the BB&T account from a mobile device. According to Dr. Fegley's conversation with BB&T, Mr. Gehris was the only PASD employee with access to the account.

B. PHOENIXVILLE FEDERAL BANK & TRUST ("PFBT") DISBURSEMENTS

PASD has several programs which maintain their own checking account and checkbook. Balances and transactions for the Phoenixville Summer Program ("PSP") are not recorded in the district's accounting system, Skyward. During our discussions with the business office staff, they indicated that Mr. Gehris directed several disbursements from the PSP account, which is maintained by Mary Jane Weiss. According to the business office staff, Mr. Gehris had no role with the program. The PSP used a business checking account at PFBT. Ms. Weiss informed us that Mr. Gehris directed her to reimburse him for expenses ostensibly related to the PSP in several instances.

As part of our analysis we reviewed the bank statements during the Scope Period to identify any checks made payable to cash or Mr. Gehris. Additionally, we reviewed the bank statement detail for non-check disbursements (e.g. wires, counter transactions).

Table 3 summarizes unsupported disbursements to or directed by Mr. Gehris from the PFBT bank account. These disbursements reflect all checks made payable to Mr. Gehris and counter transactions that were identified during the Scope Period.

TABLE 3: SUMMARY OF UNAUTHORIZED AND UNSUPPORTED PFBT DISBURSEMENTS

Check Number	Date	Amount
1300	07/27/2017	\$465.52
1312	11/28/2017	881.81
1320	12/01/2017	693.50
Counter Transaction	11/29/2019	2,000.00
Counter Transaction	07/08/2019	3,260.00
Counter Transaction	08/12/2019	1,500.00
		Total \$8,801



Check Number 1300 for \$465.52

This check was made payable to Chris Gehris and cleared the PFBT account on July 27, 2017. There is no support for this transaction.

Check Number 1312 for \$881.81

This check was made payable to Chris Gehris and cleared the PFBT account on November 28, 2017. The support for this disbursement indicates that it was for reimbursement of expenses. There were two invoices: \$171.90 from Toys R Us and \$709.91 from Best Buy. The Toys R Us receipt includes Lego kits and other toys while the Best Buy receipt details a Nintendo Switch, wireless headphones and console games. The support does not indicate how these November purchases related to a summer program.

Check Number 1320 for \$693.50

This check was made payable to Chris Gehris and cleared the PFBT account on December 1, 2017. The support for this disbursement indicates that it was for reimbursement of five tickets for a Philadelphia 76ers game against the Los Angeles Lakers on December 7, 2017. The support does not indicate how this related to a summer program.

Counter transaction for \$2,000

On November 29, 2018, staff were instructed by Mr. Gehris to acquire \$2,000 in gift cards in a counter transaction at PFBT. Three cards were loaded with the \$2,000, which required an additional \$10.50 in fees for a total withdrawal of \$2,010.50. Ms. Weiss indicated that she never received an explanation for the purpose of the cards although she does remember seeing them shortly thereafter on Mr. Gehris' desk. There is no support for this transaction.

Counter transaction for \$3,260

On July 8, 2019, according to Ms. Rockwood's interview, Mr. Gehris visited the PFBT branch in Pikeland and withdrew \$3,260 in cash. Mr. Gehris' explanation to Ms. Rockwood was that it was a tuition reimbursement provided by a former administrator. Mr. Gehris stated that the former employee deposited \$3,000 in the account



on June 13, 2019, and Mr. Gehris removed the funds from PFBT in order to deposit them in the General Fund. There is no record of a \$3,000 deposit in June 2019 through September 30, 2019, nor is there a deposit in the PSDLAF or BB&T accounts for the \$3,260. There is no support for this transaction.

Counter transaction for \$1,500

On August 12, 2019, Mr. Gehris instructed Ms. Szegedy to withdraw \$1,500 in cash from the PFBT account for "Start up money" according to the internal investigation memo prepared by Sylvia Rockwood. According to Ms. Rockwood's discussion with Mr. Gehris, he told her that the money was in the school district's safe. According to Ms. Rockwood's memo, a subsequent search of the safe indicated that the cash was not present. There is no support for this transaction.

C. PSDLAF DISBURSEMENTS

PASD maintains several bank accounts for various purposes at PSDLAF. Mr. Gehris directed four checks to be made payable to himself during the Scope Period from the General Fund of this account, which were unsupported. All four transactions were initially recorded in the "Other Long Term Liabilities" Account.⁷ There is no known evidence or reason that payments to Mr. Gehris were made to satisfy obligations to Mr. Gehris that were characterized as "Other Long Term Liabilities". In all four instances, the Board package⁸ was manipulated to conceal pertinent details about these disbursements.

Table 4 summarizes unsupported and unauthorized disbursements to Mr. Gehris from the PSDLAF bank account.

TABLE 4: SUMMARY OF UNAUTHORIZED AND UNSUPPORTED PSDLAF DISBURSEMENTS

Check Number	Date	Amount
108856	08/03/2017	\$3,500
171800904	12/21/2017	1,500
171801191	02/22/2018	1,000
181900150	08/02/2018	2,500
		Total \$8,500

⁷ Other Long Term Liabilities is Skyward account number 10 L 0590 000 000 00 000 000 000 000.

⁸ We understand from conversations with Mr. Fazio that Mr. Gehris was responsible for preparing the financial portion of the Board packages.



April 22, 2020

Page 9 of 13

Check Number 108856 for \$3,500

This check was made payable to Christopher Gehris and cleared the PSDLAF account on August 3, 2017. Mr. Gehris requested this check from Karen Maher through an email dated August 2, 2017. The email indicated that the purpose for the check was "17-18 Start up \$". The August 2017 Board package included a listing of disbursements during the months of July and August 2017. This check was omitted from the general check listing as well as the separate detail of disbursements for the athletic fund within the relevant sections of the Board Package. According to the disbursement register, this disbursement was recorded in Skyward to Other Long Term Liabilities.

Check Number 171800904 for \$1,500

This check was made payable to Christopher Gehris and cleared the PSDLAF account on December 21, 2017. There is no support attached to the request for this disbursement. The check voucher did include the description "START UP MONEY." The December 2017 Board package included a listing of disbursements during the months of November and December 2017. This check was omitted from the check listing as well as the separate detail of disbursements for the athletic fund. According to the disbursement register, this disbursement was recorded in Skyward to Other Long Term Liabilities.

Check Number 171801191 for \$1,000

This check was made payable to Christopher Gehris and cleared the PSDLAF account on February 22, 2018. The only support available for this transaction is a handwritten note that states "Chris Gehris – start-up \$" along with a post-it note that denoted "\$1,000" and "05900." The account number for the Other Long Term Liabilities account to which this entry was recorded contains the numbers "05900." The February 2018 Board package included a listing of disbursements during the month of February 2018. This check was included in the check listing but the description was "Group Insurance" and indicated an expense account that does not have a description in the PASD Chart of Accounts. This check was not included in the separate detail of disbursements for the athletic fund. According to the disbursement register, this disbursement was recorded in Skyward to Other Long Term Liabilities, not Group Insurance.



Check Number 181900150 for \$2,500

This check was made payable to Christopher Gehris and cleared the PSDLAF account on August 2, 2018. There is no support attached to the request for this disbursement. The check voucher did include the description "START UP MONEY/PETTY CASH." The August 2018 Board package included a listing of disbursements during the months of July and August 2018. This check was included in the listing, but its amount was changed from \$2,500 to \$25.69 and the description was "General Supplies." According to the disbursement register, this disbursement was recorded in Skyward to Other Long Term Liabilities, not to General Supplies as the Board report indicated.

PASD already had a process for distributing startup/petty cash funds to the Director of Student Activities and Athletics for PASD, Matt Gionta. The athletic fund has the following disbursements for start-up/petty cash funds that were disbursed to Mr. Gionta over the scope period:

TABLE 5: SUMMARY OF ATHLETIC FUND START UP FUNDS DISBURSED TO MATT GIONTA

Check Number	Date	Amount
27716	08/21/2017	\$2,000
28013	11/16/2017	1,000
28237	03/28/2018	500
29226	08/21/2018	2,000
29504	11/02/2018	660
29517	11/30/2018	1,000
29740	03/21/2019	500
29963	08/07/2019	1,500
		Total \$9,160

Checks were made payable to Mr. Gionta and he personally presented the checks to the bank and deposited the funds back at the end of the season. In our discussions with Mr. Gionta, he indicated that he was the only individual who requested and acquired funds for the athletic events and never received cash directly from anyone at the PASD business office.



4. CHILD NUTRITION FINANCIAL REPORTS

During our discussion with Ms. Jean Szegedy, she indicated that she was uncomfortable with the limited direction given to her by Mr. Gheris on how to prepare the Child Nutrition Financial Reports ("CNFRs").⁹ We compared the two most recent reports for the fiscal years ending June 30, 2017 and June 30, 2018 which show the following variances between the CNFRs and PASD's Annual Financial Reports ("AFRs"):

TABLE 6: COMPARISON OF CNFR AND AFR REPORTS FOR YEAR ENDED JUNE 30, 2017

Line Description	CNFR	AFR	Difference
Total Current Assets	\$152,558	\$186,828	\$(34,270)
Total Current Liabilities	225,420	202,776	22,644
Total Operating Expenses	1,302,812	1,472,690	(169,878)

TABLE 7: COMPARISON OF CNFR AND AFR REPORTS FOR YEAR ENDED JUNE 30, 2018

Line Description	CNFR	AFR	Difference
Current Assets	\$151,118	\$184,652	\$(33,534)
Current Liabilities	191,961	196,961	(5,000)

These differences do not appear to be linked to the unauthorized and unsupported transactions noted above. Further, the CNFR is a manually prepared accumulation of data prepared by PASD and may be subject to human error.

5. CONTROL OBSERVATIONS AND RECOMMENDATIONS

Over the course of our investigation and our process walkthroughs, we observed the following with respect to financial controls at PASD:

- There is insufficient Segregation of Duties across critical accounting processes regarding cash management and procurement;¹⁰

⁹ The Child Nutrition Financial Reports are filed electronically each year with the Pennsylvania Department of Education.

¹⁰ The identified processes with insufficient segregation of duties are included in Exhibit 1.



- The individual who has access to the accounting records, bank statements and expenditure approvals also prepared the monthly reports to the Board;
- An internal, separate from what PSDLAF may have, schedule of authority (i.e., who can sign a PASD check and what authority limit requires multiple signatures) does not exist within PASD;
- The Skyward accounting system provides warnings when certain purchasing transactions are being posted without a matching purchase order, but does not prohibit the transaction if the user elects to continue;
- The Phoenixville Summer Program and the High School and Middle School Student activities programs are "off-book" and are mostly outside of the PASD control environment. We analyzed the bank statements for the middle school and high school student activity accounts and did not find any cash withdrawals, counter transactions or checks made payable to Mr. Gehris;
- After Mr. Gehris was suspended, a search of his office identified an envelope of 91 uncashed checks related to a high school student trip to the United Nations in New York City in the spring of 2016. The checks total \$5,065 and have not been deposited to date. These checks are stale and most likely would not be accepted at a bank;
- Mr. Gehris was the only person with accounting knowledge in the business office, which limited the remaining staff's ability to question or even understand certain transactions; and
- Journal entries do not have adequate descriptions or support.

The following select recommendations relate to the issue of reducing the risk associated with the findings detailed in this report:

- The business office should increase the accounting skill and knowledge resident in that department;
- The individual who prepares the Board reports should not also be responsible for entering journal entries, reconciling bank accounts and approving expenditures;
- Monthly Board reports should include every major bank account;
- PASD should undertake a deeper review of the Phoenixville Summer Program, student activity and athletic bank accounts that are managed outside of the business office. Individual transactions for these accounts are not currently being entered into Skyward, and PASD should consider bringing those funds "on book"



within Skyward. Consistent procedures for bank account reconciliation, expenditure support and recordkeeping should be developed and enforced; and

- PASD should research the impact of the variances noted in the CNFRs.

Exhibit 1 contains a full listing of our observations along with recommendations. We understand that PASD has implemented additional controls since Mr. Gehris' termination that are designed to account for some of the items listed above. EisnerAmper has not determined if the new controls were implemented and offers no opinion on the effectiveness and any new controls.

* * * * *

The procedures performed were limited to those described herein based on the documents provided to date and other information obtained. Information obtained subsequent to the date of this letter may affect this analysis and this effect may be material. This letter provides a summary of the procedures we performed and our preliminary findings. As these findings are preliminary, we reserve the right to amend our analyses and the opinions expressed in this report.

Our procedures were performed solely with respect to the above referenced scope of work. This letter and its attachments are not to be reproduced, distributed, disclosed or used for any other purpose.

EisnerAmper LLP

EisnerAmper LLP

David Sumner, CPA/CFF

April 22, 2020

PRIVILEGED AND CONFIDENTIAL



Exhibit 1
Financial Control Observations and Recommendations

Process	Observation	Recommendation	Management Comments
Procurement / Accounts Payable	Based on inquiry performed, it was determined that Schuylkill Elementary School and Phoenixville Area Early Learning Center invoices are not sent to the schools for review. It was also noted that invoices are manually sent and approved by the other schools in the district.	Recommend that the invoices be sent and reviewed by all of the applicable schools. Recommend that a workflow be established within Skyward for invoice approval to enable open invoices to be tracked and approval history to be maintained systematically.	We have already instituted a policy that prior to payment all invoices, receiving documentation and PO/requisition must match. In addition, all invoices must have an administrators signature prior to payment. The administrator must be the person responsible for the purchase.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that a schedule of authorities does not exist which specifies the authorized approvers and authority limits for both purchase orders and invoices. It was noted that the invoice approvers may be Principals, or Department Supervisors.	Recommend that a schedule of authorities be developed which identifies the authorized approvers by position as well as their signing authority. Recommend that this schedule be presented to the Board for approval at least annually and/or when changes are required.	Effective July 1st (new budget year). PO/Requisitions will be capped at budgeted amount in Skyward. Budget transfers will need to be submitted/processed prior to a requisition being entered to ensure adequate funds are in administer account. Limits already established (e.g. superintendent and Business Manager) in order for a requisition to be approved.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that the Skyward system will provide a warning but allows an invoice to be processed that does not match the associated purchase order dollar amount.	Recommend that a tolerance be established within the Skyward system to prevent invoices from being processed that exceed the purchase order amount by a pre-determined dollar amount.	Agree, this will occur July 1st - see explanation above.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that a segregation of duties does not exist within Skyward as the Accounts Payable Technican has access to perform vendor master maintenance, modify purchase orders, process invoices, and process check runs within the system. It was also determined that the check runs are not reviewed and authorized.	Recommend that access to perform vendor master maintenance be removed from the Accounts Payable Technican. Recommend that the check runs be reviewed in comparison to the support and authorized by another individual who does not have access to process payments within Skyward. In addition, it is recommended that checks over a certain dollar amount require a physical signature by an authorized signer on the account.	1. AP Technican does perform maintenance currently. No backup available. Recommend ABM/controller perform these duties when hired. 2. Business Manager currently reviews and must approve release of check run. Recommend ABM/controller perform these duties when hired. 3. Would require additional resources.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that Skyward provides a warning when an invoice number has been previously processed, but does not prevent the user from proceeding.	Recommend that the Skyward system prevent duplicate invoice numbers from being processed.	District should research and remediate if needed.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that construction and capital reserve purchases do not require purchase orders to be created within the Skyward system.	Recommend that purchase orders be required for all purchases.	Agree, will institute immediately.

Procurement / Accounts Payable	Based on inquiry performed, it was determined that vendor master maintenance is not reviewed and authorized.	Recommend that new vendors and vendor changes be reviewed by another individual, who does not have access to perform vendor master maintenance in Skyward, to confirm that the maintenance was authorized and accurately and completely processed within the system.	Agree, Business Manager and IT will review for accuracy.
Procurement / Accounts Payable	Based on inquiry performed, positive pay is in the process of being implemented, but has not been established.	Recommend that positive pay be established to prevent fraudulent checks from being submitted to the bank for payment.	Positive Pay has been established.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that a monthly report of disbursements is prepared and sent to the Board. This report is not reviewed or compared to Skyward to confirm accuracy prior to being issued.	Recommend that the monthly report of disbursements made be reviewed and compared to the Skyward system to confirm accuracy and completeness prior to be issued to the Board for review.	Agree, and already completed
Procurement / Accounts Payable	Based on inquiry performed, it was determined that duplicate vendors may exist within the Skyward system.	Recommend that the vendor master file be reviewed at least annually and duplicate vendors be inactivated. Additional "remit to" addresses can be established within the vendor set-up.	Agree, will institute immediately. Recommend ABM/controller perform these duties when hired.
Procurement / Accounts Payable	Based on inquiry performed, it was determined that open purchase orders are not monitored.	Recommend that the open purchase orders be monitored periodically to determine whether they should have been closed as the corresponding vendor invoice was received and paid or an invoice should be requested from the vendor.	Agree, process has been modified.
Cash Receipts / Disbursements	Based on inquiry performed, it was determined that the Superintendent, Assistant Superintendent, Interim Business Manager, high school Principal, and Director of Operations possess school district credit cards. Requests for credit cards are authorized by the Superintendent. The credit card limits are determined by the Superintendent. It was also noted that an "expense report" including the receipts and explanation for the purchase are attached to the statement and sent to the employee's Supervisor for review and approval then they are sent to the Interim Business Manager.	Recommend that the Superintendent's credit card statement and support be reviewed by another individual and authorized for payment.	Superintendent's credit card and expense reports are reviewed and approved by Business Manager prior to submission to AP for processing..

Cash Receipts / Disbursements	Based on inquiry performed, it was determined that certain individuals in both the administration and athletics departments have access to the cash received via the safe and also perform the recording of the cash transactions within the Skyward system.	Recommend that a segregation of duties be implemented between the receipt, recording, and reconciliation of cash. If possible, the deposit preparation and the physical deposit to the bank should be performed by two separate individuals. Bank reconciliations should be prepared on a monthly basis between the bank account statement and the Skyward system by an individual who does not have access to the cash and be reviewed by a second individual. Variances between the bank and Skyward should be identified, investigated, and formally documented within the reconciliation.	Effective July 1st (new budget year). The processing of all checks will occur centrally.
Cash Receipts / Disbursements	Based on inquiry performed, it was determined that the recording of cash receipts in Skyward is not reviewed by another individual for accuracy and completeness.	Recommend that an individual with appropriate accounting knowledge review the cash receipts recordings to confirm they were completely and accurately recorded to the appropriate ASN number.	Business Manager currently received notification (email) of all deposits and reviews when received. Recommend ABM/controller perform these duties when hired.
Cash Receipts / Disbursements	Based on inquiry performed, it was determined that the Athletics Director has access to the manual checks, which are maintained within the safe, and is also an authorized signer on the account. For certain athletic events, he will request a check payable to himself for petty cash as checks made payable to cash are no longer allowed. A check log is maintained and is sent to the Interim Business Manager for review. Manual checks are signed by the Athletics Director and the Principal.	Recommend that the manual checks be securely maintained by an individual who is not an authorized signer on the account. Recommend that this individual maintain the check log to ensure that all issuances of checks are logged and authorized by appropriate personnel via a check request form. The check log should also be provided to the individual performing the bank account reconciliation on a monthly basis. Independent counts and periodic reviews of the petty cash usage should be conducted.	Effective July 1st (new budget year). The processing of all checks will occur centrally.