

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

SOUTH NEWTON SCHOOL CORPORATION
FOOD SERVICE DIRECTOR
NEWTON COUNTY, INDIANA

January 1, 2008 to March 1, 2010



FILED

08/20/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
School Officials	2
Transmittal Letter	2
Audit Results and Comments:	
Food Sales to School Lunch Employees.....	4
Daily Receipt Reports	4-5
Record Information	5
Exit Conference.....	6
Summary	7

SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Food Service Director	Lisa Roozee Chris Barce	01-01-08 to 03-01-10 05-24-10 to 06-30-10
Treasurer	Marci Hall	07-01-07 to 06-30-10
Superintendent of Schools	Todd Rudnick	07-01-07 to 06-30-10
President of the School Board	Warren Johnson, Jr.	07-01-07 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF SOUTH NEWTON SCHOOL CORPORATION

We have audited the records of the South Newton School Corporation Food Service Director for the period from January 1, 2008 to March 1, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments.

STATE BOARD OF ACCOUNTS

June 29, 2010

SOUTH NEWTON SCHOOL CORPORATION
FOOD SERVICE DIRECTOR
AUDIT RESULTS AND COMMENTS

FOOD SALES TO SCHOOL LUNCH EMPLOYEES

School employees were allowed to order food through the School Corporation's food service program. Payments for these food purchases were given to the prior South Newton School Food Service Director, Lisa Roozee. We reviewed 41 canceled checks totaling \$1,722.86 that had been received as payments for these purchases. We traced the canceled checks to the daily lunch reports and to the deposit tickets and determined that only \$63.22 had been deposited properly. Lisa Roozee cashed checks totaling \$140.74 for cash. No documentation was provided for audit to determine the use of the proceeds from these checks. The remaining payments totaling \$1,518.90 were deposited to the checking account but not listed on the daily cash report. Recording all documented collections, including checks, in the records would increase the total record balance and would provide a cash necessary to balance of \$1,659.64.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We requested that Lisa Roozee, prior Food Service Director, reimburse the School Corporation \$1,659.64. \$1,659.64 was repaid by Lisa Roozee on June 22, 2010, and was receipted to the School Corporation records on receipt number 3954.

DAILY RECEIPT REPORTS

We compared school daily lunch reports to the deposits and found 21 days on which the deposit was less than the amount of the report. We found no days in which the amount deposited was more than the amount of the report. We determined that several days in the second half of 2009 had input errors for amounts collected. As an example, a common error made was \$225 instead of \$2.25. Cash registers were used in the cafeteria; however, the register totals were seldom reconciled to the cash deposits made or the daily lunch reports prepared for the day.

SOUTH NEWTON SCHOOL CORPORATION
FOOD SERVICE DIRECTOR
AUDIT RESULTS AND COMMENTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RECORD INFORMATION

Duplicate deposit tickets did not list the detail of the checks deposited. Additionally, food services provided to school organizations and outside groups were not supported by duplicate invoices or receipts. The computer software used for food service could not provide the detail of daily collections prior to July 2009.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SOUTH NEWTON SCHOOL CORPORATION
FOOD SERVICE DIRECTOR
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2010, with Lisa Roozee, prior Food Service Director; Marci Hall, Treasurer; Todd Rudnick, Superintendent of Schools; and Chris Barce, Food Service Director. The officials concurred with our audit findings.

SOUTH NEWTON SCHOOL CORPORATION
 FOOD SERVICE DIRECTOR
 SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Lisa Roozee, former Food Service Director:			
Food Sales to School Lunch Employees, page 4	\$ 1,659.64	\$	\$
Reimbursement by Lisa Roozee, Receipt Number 3954	<u> </u>	<u>1,659.64</u>	<u> </u> -
 Totals	 <u>\$ 1,659.64</u>	 <u>\$ 1,659.64</u>	 <u>\$ </u> -