

Dr. John B. Gordon, III
Superintendent of Schools
Suffolk Public Schools
100 N. Main Street
Suffolk, Virginia 23434

Dear Dr. Gordon:

In planning and performing our audit of the Suffolk Public Schools' ("Schools") Activity Funds' ("Activity Funds") Summary Statement of Cash Receipts, Disbursements, and Balances ("financial statement"), as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Activity Funds' internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Activity Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Activity Funds' internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operational efficiencies and are summarized on the following pages.

Lack of Segregation of Duties

In general, there is a lack of segregation of duties over cash receipts and disbursements. The bookkeeper writes receipts, prepares the bank deposit, and posts the receipts to ledgers. The same bookkeeper also prepares checks, approves vouchers, and records the transactions. This lack of segregation of duties is typical of most elementary and secondary schools; however, as a compensating control, we recommend someone independent of the bookkeeper prepare the bank deposit and take it to the bank.

Management's Responses

The Schools' response to our finding is included herein. We did not audit the Schools' response and, accordingly, we have no opinion on it.

Management acknowledges that this weakness cannot be fully eliminated, but have designed controls to mitigate the risks associated with the weakness to the extent possible. These controls include: Principal oversight/review of monthly financial and activity reports; Principal oversight/review of monthly bank statements; dual signatures required on all check disbursements; and oversight/review of monthly activity reports by School Board Administration.

Continued Training on School Board Policies

Suffolk Public Schools' Finance Department ("Finance Department") serves the Schools and related bookkeepers in various ways throughout the year, to include assistance in recording accounting transactions and clarification of the Schools' policies and procedures. The existence of the deficiencies noted on the following page highlight the need for the Finance Department to continue training initiatives to ensure all Schools' personnel account for and report all related transactions in accordance with Schools' policies.

Management's Responses

The Schools' response to our finding is included herein. We did not audit the Schools' response and, accordingly, we have no opinion on it.

We are proud of the schools with clean audits and realize this takes dedication of all school staff to accomplish, especially the bookkeepers. We will continue to work with the schools that had findings and will continue to provide annual training sessions and financial guidelines to the principals/Bookkeepers emphasizing the importance of following the bookkeeping procedures and maintaining the necessary documentation during the year to enable the schools to receive a clean audit.

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This report is intended solely for the information and use of the School Board, Superintendent of Schools, Principals, and others within Suffolk Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to thank the Schools and all Schools' personnel for the cooperation and courtesy provided to us during the course of our fieldwork.



Richmond, Virginia
December 9, 2019

Suffolk Public Schools' Activity Funds

<p>Schools with no findings noted:</p>	<ul style="list-style-type: none"> • King's Fork High School * • Forest Glen Middle School * • John F. Kennedy Middle School * • King's Fork Middle School * • Booker T. Washington Elementary School * • Creekside Elementary School * • Hillpoint Elementary School * • Kilby Shores Elementary School * • Mack Benn, Jr. Elementary School * • Nansemond Parkway Elementary School * • Northern Shores Elementary School * • Oakland Elementary School * • Pioneer Elementary School * • College & Career Academy at Pruden • Lakeland High School • Florence Bowser Elementary School • Colonel Fred Cherry Middle School <p>* School had no findings in 2018</p>
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<p>Per the <i>Student Activities Fund Manual</i>, bookkeepers are expected to make deposits the day that cash is collected. During our testing of cash receipts, we noted more than one instance where receipts were not deposited timely due to bookkeeper absence. We recommend that the designated alternate should make the deposit in case of the bookkeeper's absence within a day of collection.</p>	<ul style="list-style-type: none"> • Nansemond River High School
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<p>Per the <i>Student Activities Fund Manual</i>, bookkeepers are expected to make deposits the day that cash is collected. During our testing of cash receipts, we noted funds on one occasion were collected from students and not submitted to the bookkeeper until the following day. We recommend funds be remitted to the bookkeeper on the day they are collected.</p>	<ul style="list-style-type: none"> • John Yeates Middle School
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<p>Per the <i>Student Activities Fund Manual</i>, a purchase order form should be completed and approved by the Principal for purchases over \$50. During our testing of cash disbursements, we noted instances, in parentheses, where a required purchase order was not approved by the Principal prior to making a purchase. We recommend all purchases be properly approved by the Principal prior to purchase.</p>	<ul style="list-style-type: none"> • Nansemond River High School (9) • Elephant's Fork Elementary School (1)
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