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CITIZENS SUMMARY

Findings in the audit of Marshall Public Schools

District Compensation	District employees received stipends that were not approved by the Board of Education and additional compensation provided to an employee was questionable. District personnel did not adequately review payroll entries and timesheet calculations for accuracy, resulting in over- and underpayments to some employees.
Accounting and Cash Handling Controls and Procedures	The Board and the Superintendent have not adequately segregated accounting duties or ensured documented independent reviews over various financial accounting functions in the Central Office and the Saline County Career Center. Weaknesses exist in receipting, transmitting, and depositing of money received. Tickets are not issued to athletic event attendees or a tally sheet kept to reconcile collections to deposits. The district does not reconcile concession or bookstore sales to deposits, nor require inventory records of items purchased, sold, and on hand to be maintained and reconciled to concession or bookstore receipts. The district does not have a list of approved change funds or a written policy regarding change funds. In addition, petty cash fund practices do not always comply with established administrative procedures.
Procurement and Disbursement Procedures	The district has not periodically solicited proposals for professional services including legal services and audit services or formally evaluated those services. Employee reimbursement and petty cash disbursements do not always comply with established administrative procedures. The district does not monitor purchasing card transaction limits and limits for some individuals are excessive.
Board Meeting Minutes	Reasons cited in open meeting minutes for going into closed session did not reflect topics actually discussed and/or topics discussed were unallowable for some closed meetings held.
Electronic Data Security	District officials have not established sufficient controls for maintaining user accounts for accessing system resources. The Superintendent, Assistant Superintendent, District Bookkeeper, Accounts Payable Clerk, and Director of Special Services have more access in the accounting system than required for their job duties.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



Recommendations in the audit of Marshall Public Schools

District Compensation

The Board of Education:

- 1.1 Provide additional oversight and approval regarding compensation decisions and ensure all payments to employees are reasonable and have adequate supporting documentation.
- 1.2 Perform independent reviews of timesheets and payroll entries to ensure all payments to employees are accurate and paid in accordance to contract and salary schedules.

**Accounting and Cash
Handling Controls and
Procedures**

The Board of Education:

- 2.1 Segregate the accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 2.2 Require the issuance of prenumbered receipt slips in sequential order for all student money received, indicate the method of payment, and ensure all receipts are transmitted/deposited intact and timely. In addition, account for the numerical sequence of receipt slips and restrictively endorse checks upon receipt. Ensure the composition of receipts is reconciled to the composition of amounts transmitted or deposited and provide the Central Office supporting documentation for transmittals and deposits.
- 2.3 Ensure gate receipts deposited for all events are reconciled to the paid attendance.
- 2.4 Require inventory records of items purchased, sold, and on hand be maintained and ensure amounts collected from concession and bookstore sales are reconciled to deposits and changes in concession and bookstore inventory.
- 2.5 Develop written procedures for establishing and maintaining change funds that lists the established funds and authorized amounts and requires maintaining the funds at their authorized amounts and periodic counting and reconciliation procedures. Establish a separate fund for petty cash when needed, maintain a petty cash ledger, and ensure petty cash practices comply with established administrative procedures.

**Procurement and
Disbursement Procedures**

The Board of Education:

- 3.1 Periodically solicit proposals for professional services, enter into written contracts, and maintain documentation to support purchasing decisions and demonstrate compliance with purchasing policies.
- 3.2 Ensure employee reimbursements and petty cash disbursements comply with the established administrative procedures.

- 3.3 Evaluate the credit limit on assigned purchasing cards and set the limits at what is necessary for an employee to perform his/her job duties and responsibilities.

Board Meeting Minutes	The Board of Education ensure specific reasons for closing a meeting are documented in the open minutes, ensure only topics allowed by state law are discussed in closed meetings, and discussions are limited to the specific reasons cited for closing the meeting.
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Electronic Data Security	<p>The Board of Education:</p> <p>5.1 Ensure user access is promptly deleted following termination of employment.</p> <p>5.2 Limit users access rights in the accounting system to only what is necessary to perform their job duties and responsibilities, and ensuring proper segregation of duties.</p>
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