



**Seattle Public Schools  
The Office of Internal Audit**

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**Internal Audit Report  
Chief Sealth International High School**

**September 1, 2016 through February 28, 2017**

Issue Date: September 5, 2017



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## Internal Audit Report Chief Sealth International High School September 1, 2016 – February 28, 2017

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### Executive Summary

#### Background

We completed an audit at Chief Sealth International High School for the period September 1, 2016 through February 28, 2017. Chief Sealth International High School is located in the West Seattle Region of Seattle Public Schools. It is a comprehensive high school with over 1,100 students and 65 staff, and operates on an annual budget of \$8.9 million. The School runs an International Baccalaureate program that offers its students career-related education and college preparatory curriculum.

Although Chief Sealth International High School was the focus of this audit, our primary goal was to evaluate the overall system of controls put in place by the District. The decentralized nature of a school district results in a situation where many key internal control and compliance functions are performed at the individual schools. The audits conducted at the individual schools will help ensure that these key functions are being performed and are having their intended effect. This audit will also help to highlight those areas where the schools may not have clear guidance on the procedures they are expected to perform, and it will identify those situations where the schools have not been provided adequate resources to perform these key functions properly. In addition to the findings and recommendations noted in this report, the Office of Internal Audit is also using the knowledge gained from the school audits to develop an annual risk assessment that will be used to identify future audit areas.

#### Roles and Responsibilities

This audit was completed as part of the *Annual Risk Assessment and Audit Plan* approved by the Audit and Finance Committee on September 13, 2016. District Management has the primary responsibility to establish, implement, and monitor internal controls. Internal Audit's function is to assess and test those controls in order to provide reasonable assurance that the controls are adequate and operating effectively. We conducted the audit using due professional care, and we believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

#### Audit Objectives

To ensure compliance and strong financial internal controls in the following areas:

- Cash Handling and Receipting
- Volunteers
- Risk Management

#### Scope of the Audit

September 1, 2016 through February 28, 2017



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## **Audit Approach and Methodology**

To achieve the audit objectives, we performed the following procedures:

- Planned the audit in cooperation with central administration staff from Accounting, Payroll, Human Resources, and Risk Management to ensure that we had a strong understanding of the District's compliance requirements.
- Conducted a surprise cash count in order to observe operations in their normal environment.
- Interviewed school staff knowledgeable of each objective area.
- Analyzed available data to corroborate the information obtained.
- Examined accounting records and tested supporting documentation.

## **Conclusion**

Based on the procedures we performed, the school appears to have adequate controls in each of the objective areas, except for the items noted in this report. This report identifies several recommendations that are intended to improve the overall accountability and transparency of the objective areas.

We extend our appreciation to the staff at Chief Sealth International High School for their assistance and cooperation during the course of the audit.

*Andrew Medina*

Andrew Medina, CPA, CFE  
Director, Office of Internal Audit



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**Findings and Recommendations**

**1) Cash Handling and Receipting**

During the course of our audit we identified the following concerns related to cash handling and receipting. Although some instances were specific to the ASB Fund and some were specific to the General Fund, the following issues represent basic cash handling and receipting problems that apply to all funds:

- Funds are not always deposited into a District bank account once every 24 consecutive hours, as required by the ASB Procedures Manual and state law.
- Funds collected by staff members and students are not always turned in to the fiscal office on the same day they are collected.
- Checks are not always restrictively endorsed as soon as they are received.
- Deposits are carried to the commercial bank rather than using the District's secure courier service. Using the District's secure courier service is required by the District's ASB Procedures Manual.

The current procedures do not adequately safeguard district resources, and they increase the risk of theft, loss, and abuse.

**Recommendation**

In order to ensure accountability for public resources; reduce the risk of theft, loss, or abuse; and protect itself and its staff from unnecessary scrutiny, we recommend that Chief Sealth High School:

- Deposit all funds collected into the District's bank account every 24 hours.
- Instruct all staff members to promptly deposit any funds collected during the day with the Fiscal Specialist prior to the end of the day.
- Restrictively endorse all checks as soon as they are received.
- Use the District's secure courier service to transport all deposits to the commercial bank.



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## **2) Risk Management (Field Trips)**

The School did not follow District policies and procedures related to field trips. Per Administrative Procedure 2320-A, Field Trips & Excursions, overnight field trips must be approved by the principal and Executive Director of Schools.

During the course of our audit we noted overnight field trip forms were not always properly approved by the School. The procedure checklists, field trip supervision plans, and chaperone rosters either had no approval signatures from the principal or had no approval date documented.

### **Recommendation**

We recommend that the School establish and maintain adequate controls to ensure that all field trips follow District policies and procedures. Specifically, it should ensure that all required field trip forms are properly reviewed and approved by the principal.



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### **3) Volunteer and Chaperone Screening**

During the course of the audit we noted that the schools procedures related to volunteer and chaperone screening did not adhere to District procedures. Properly screening volunteers and chaperones is an important function of the school, as it helps to ensure the safety of students.

There was one overnight field trip that occurred during our audit period that had volunteer chaperones. We reviewed volunteer applications for the field trip and noted the following:

- Volunteer school applications had no documentation of whether the sexual misconduct prevention training was taken by the volunteers.
- There was no indication that volunteer applications were reviewed or approved. Applications should be approved by the school building administrator or program manager prior to the trip.

### **Recommendation**

We recommend that Chief Sealth High School establish controls to ensure that all volunteers and chaperones are properly screened and approved as required by District procedures.



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**Management Response from Chief Sealth International High School**

*Chief Sealth International High School is in receipt of the feedback provided to our school from the Office of Internal Audit regarding some of our processes and procedures as they relate to the audited areas. After reviewing the feedback and doing a careful analysis of our procedures, the administration at Chief Sealth is confident that the areas of concern can be addressed and rectified by adopting the following:*

**1) Cash Handling and Receipting**

- a. *The fiscal Clerk will deposit all monies collected into the District's bank account within 24 hours.*
- b. *CSIHS administrators will review the procedure for handling cash as outlined in the Chief Sealth Staff Handbook with staff and club advisors at the beginning of each year and/or upon hire or assignment.*
- c. *CSIHS athletic director and activities coordinator will review the procedure for handling cash as outlined in the Chief Sealth Staff Handbook with all coaches and/or booster club treasures at the beginning of each year and/or upon hire or assignment.*
- d. *CSIHS administrators will instruct all staff members to deposit all funds collected during the day to the fiscal specialist by the end of that day.*
- e. *The fiscal specialist at CSIHS will stamp and endorse all checks upon receipt.*
- f. *The fiscal specialist at CSIHS will ensure that all monies are transported utilizing the district courier.*

**2) Risk Management (Field Trips)**

- a. *CSIHS administration will review Administrative Procedure 2320-A (Field Trips and Excursions: General Guidelines and Procedures for All Field Trips) with all employees at the beginning of each year.*
- b. *CSIHS administration will carefully review all field trip requests and will ensure that all required documents are completed and submitted in a timely fashion.*
- c. *CSIHS administration will ensure that all forms are appropriately signed by the principal or assistant principal upon approval or denial of the field trip request.*

**3) Volunteer and Chaperone Screening**

- a. *The volunteer coordinator at CSIHS will ensure that each volunteer or chaperone applicant signs and dates the application before submission.*
- b. *CSIHS will require each volunteer or chaperone to provide written verification of successful completion of training on sexual misconduct which will be attached to the application and kept on file.*
- c. *The site coordinator will initial and date each item in the checklist on the last page of the volunteer application form upon review and will make note of the receipt of proof of completion of the viewing of the video on sexual misconduct and the date of the viewing.*
- d. *CSIHS will assign the oversight of the volunteer/chaperone approval process to the principal or assistant principal.*