



EXECUTIVE SUMMARY

PEMBERTON TOWNSHIP SCHOOL DISTRICT July 1, 2016 to July 30, 2019

We found the financial transactions included in our testing were related to the district's programs, were reasonable and were recorded properly in the accounting systems. However, there were weaknesses in internal controls over procurement and revenue collection, non-compliance with district sign in and out procedures, and inadequate oversight in payroll and human resources. We also observed a lack of effective use and security of the district property known as the Co-Op. Additionally, our audit disclosed reportable conditions deemed confidential in nature which were communicated in a confidential management letter provided to district management only.

AUDIT HIGHLIGHTS

- The district contracted for a security system later deemed incompatible and never implemented. The contract was ultimately cancelled and cost the district \$21,000.
- Vehicle repairs that could potentially have been performed in-house were outsourced for \$84,000. The district also does not regularly use approximately 30 percent of its fleet of vehicles.
- The district purchased Chromebooks for two schools that exceeded the teacher and student population by 24 percent. The extra devices cost \$313,000.
- We identified \$1.2 million in purchases, commonly referred to as confirming orders, in which the purchase order was prepared after receipt of goods or services.
- Approved purchase orders were increased beyond the allowable 10 percent without additional approval. This caused budgetary issues and the need to transfer \$117,000.
- The practice of prepaying salaries resulted in overpayments of \$26,000 that had not been recouped.
- Before and after care program subsidy payments totaling \$20,000 were not collected due to a system malfunction and were not identified by the district due to the lack proper account reconciliation.
- Tuition for out of district students totaling \$45,000 was not billed to or collected from the sending districts.

AUDITEE RESPONSE

The district generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).