

LEGISLATIVE AUDIT COMMISSION



Review of
Suburban Cook County
Regional Office of Education No.14
Year Ended June 30, 2008

622 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW: 4324
SUBURBAN COOK COUNTY
REGIONAL OFFICE OF EDUCATION No. 14
YEAR ENDED JUNE 30, 2008

FINDINGS/RECOMMENDATIONS - 12
PARTIALLY ACCEPTED - 2
ACCEPTED - 2
IMPLEMENTED - 8

REPEATED RECOMMENDATIONS - 3

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 3

This review summarizes the audit of the Suburban Cook County Regional Office of Education No. 14 for the year ended June 30, 2008, filed with the Legislative Audit Commission on June 11, 2009. The auditors performed a financial audit in accordance with Government Auditing Standards and State law. The auditors stated that the Regional Office of Education No. 14's financial statements as of June 30, 2008 were inadequate and contained numerous errors. As a result, the auditors did not express an opinion on the financial statements.

The Suburban Cook County Regional Office was created to develop and maintain educational services for the school districts in Cook County outside the City of Chicago. The ROE services 697 public schools in 143 districts. The following are functions of the ROE:

- Processing teachers' certificates;
- Teaching initial and refresher classes for school bus drivers within the region;
- Reviewing life/safety requirements for schools in conjunction with the State;
- Issuing newsletters regarding new Illinois life/safety requirements;
- Monitoring compliance with State laws and U.S. Department of Education policies and procedures;
- Providing directions to teachers and school officials on science, art and teaching methods;
- Implementing ISBE's Policy Programs; and
- Encouraging camaraderie among teachers through the teachers' institute.

The ROE has no distributive fund since the State maintains responsibility for the function of distributing State and federal aid to individual school districts. The ROE does not have a GED Fund since the State maintains this program as well.

As of November 2009, the Regional Office has 14 employees on the payroll, and currently 10 are working part-time hours until revenues can support them back up to their original full-time status. People working part-time have no benefits. These figures do not include

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the Regional Superintendent, two assistant Regional Superintendents, and one interim deputy superintendent.

The Superintendent for Region No.14 during the audit period was the Honorable Charles A. Flowers. Dr. Flowers became Superintendent July 1, 2007. His salary, which is paid by the State, is \$108,355. Dr. Flowers' term as superintendent ends on June 30, 2011. The Suburban Cook County Regional Superintendent is elected every four years from the area outside the City of Chicago.

Revenues and Expenditures

Revenues to Regional Office No.14 are as follows:

| | FY 2008 | FY 2007 |
|-----------------------|-------------|-------------|
| Total Revenues | \$2,022,097 | \$2,061,913 |
| Local Sources | \$753,160 | \$866,618 |
| % of Total Revenues | 37% | 42% |
| State Sources | \$1,188,813 | \$1,126,898 |
| % of Total Revenues | 59% | 55% |
| Federal Sources | \$80,124 | \$68,397 |
| % of Total Revenues | 4% | 4% |

Expenditures by Regional Office No.14 are as follows:

| | FY 2008 | FY 2007 |
|---------------------------|-------------|-------------|
| Total Expenditures | \$2,550,507 | \$2,216,159 |
| Salaries and Benefits | \$1,200,555 | \$981,439 |
| % of Total Expenditures | 47% | 42% |
| Purchased Services | \$443,654 | \$504,106 |
| % of Total Expenditures | 17% | 23% |
| All Other Expenditures | \$906,298 | \$730,614 |
| % of Total Expenditures | 36% | 33% |

| | | |
|------------------|-------------|-------------|
| Total Net Assets | (\$941,844) | (\$413,434) |
|------------------|-------------|-------------|

Accountants' Findings and Recommendations

Condensed below are the 12 findings and recommendations presented in the audit report. There were three repeated recommendations. The Updated responses to the recommendations were provided by Julie Stearns, Business Manager, via phone conversation on November 17, 2009 and email provided November 19, 2009. Ms. Stearns was hired by the ROE in January 2009.

Partially Accepted

- 11. Do not provide additional salary compensation to employees who are already receiving a full-time salary. In addition, review and approve employees' timesheets. Also, seek repayment of any amounts overpaid to employees.**

Findings: Assistant Regional Superintendents are paid by the State of Illinois. In FY08, two Assistant Regional Superintendents at the Suburban Cook County Regional Office of Education No. 14 were paid \$87,644 and \$80,628 for a full year of work. These payments come directly from the State of Illinois for their services as Assistant Regional Superintendents.

In addition to these salary payments, these Assistant Regional Superintendents were paid monies by the Regional Office for consulting services related to State grants. The Assistant Regional Superintendents were paid approximately \$12,000 and \$9,400 in FY08. Auditors questioned the Regional Superintendent as to whether these services were performed outside or in addition to normal working hours. The Regional Superintendent stated that these individuals worked on these grant activities during their normal working hours.

Another payroll deficiency related to the overpayment of the Regional Superintendent's nephew. Based on a review of one timesheet for this employee, auditors determined that the employee was being paid each day for his lunch hour. The total paid was \$865 (86.5 hours at \$10 per hour); however, the timecard indicated that only 77 hours were actually worked. This resulted in an overpayment of \$95 for the pay period. In addition, it was noted that this time card was not approved by a member of management. Auditors did not test additional timesheets for the employee to determine whether additional discrepancies occurred.

Response: Regarding the payment of lunch hours, all employees at ROE14 have been paid for lunch for at least the last ten years. It is considered in their overall pay package. Regarding the salaries paid from grants, originally there was a planned obligation to pay the assistant superintendent a portion of the grant. However, this will be discontinued going forward per this recommendation.

Auditor Comment: Based on the Regional Office's general ledger and payroll register, the nephew was a contractual employee until February 2008 and was paid an hourly rate based on timesheets submitted. No timesheet was submitted for the unworked lunch hour. Further, the Regional Office provided no policy to document that it has been a longstanding practice to pay hourly employees for an unworked lunch hour.

Updated Response: Partially accepted. Per implementation of the audit finding, in the beginning of 2009, Dr. Flowers stopped approval of the assistant superintendent vouchers and stopped any corresponding disbursement. Dr. Flowers also requested reimbursement from the current assistant superintendent.

Partially Accepted – concluded

However, every employee who works a full day is granted a one-hour paid lunch. This has been established as part of the employees' compensation package for over 10 years, and most employees are paid less than others in the industry.

- 12. Use Institute Funds only for purposes delineated by statute. Seek additional funding sources in order to fund the operations of the office without being in violation of any State regulation.**

Findings: The Regional Office's activities consist primarily of the processing of teacher certifications and registrations. Because of this, a majority of the expenses of the Regional Office are recorded to the Institute Fund and may or may not be in accordance with statute. A review of the general ledger account detail indicated that the Regional Office paid approximately \$340,345 in salaries and benefits to Regional Office employees out of the Institute Fund. Many of these employees have responsibilities that are outside of the Institute Fund activities.

Response: The Institute Fund does not allow for payment of salaries for the certification processors. Majority of the 6/30/08 ROE/ISC grant has been disbursed to ISCs. Thus, funds were not available from the operations grant to support certification. Unlike the other forty four regional offices of education in Illinois, we do not receive financial support from our county. We have however received a loan in the amount of \$190,000 from the county and are subject to repayment. We used the County Loan to pay the certification salaries, as well as other operating expenses. In response to this finding: It is our plan to allocate more of our operation grant to ROE14 for certification salaries and operations, and less to ISCs. In addition, we are working with our County to establish their financial support, per Senate Bill 186 that is currently under review.

Updated Response: Partially accepted. The ROE has for many years used money from the various funds provided to pay the salaries of its employees in fulfillment of its statutory duties. The ROE is offering professional development classes to increase revenues. SB 186 remains on second reading in the Senate.

Accepted or Implemented

- 1. Implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations. (Repeated-2007)**

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Findings: The Regional Office of Education No. 14 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. There are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. Auditors noted the following:

- The Regional Office did not maintain adequate internal controls over the processing of all financial transactions and numerous adjustments would be required to present financial statements in accordance with generally accepted accounting principles.
- The Regional Office did not have adequate controls over the maintenance of complete records of accounts payable, deferred revenues, payroll, general disbursements, or capital assets.
- Due to the inadequate controls noted above, the Regional Office's trial balance was incomplete. The following issues were noted:
 - Upon arriving to the Regional Office in October, 2008, it was noted that numerous items had not been recorded. Payroll expense had not been recorded for the final 5 months of the fiscal year.
 - A loan from Cook County for \$190,000 was not recorded in the general ledger by the Regional Office.
 - Receivables resulting from employee cash advances were not recorded in the general ledger by the Regional Office.
 - Depreciation of capital assets was not recorded in the general ledger by the Regional Office.
 - Deferred revenue was not properly adjusted by the Regional Office throughout the year.
 - Accounts receivable and accounts payable were not properly adjusted by the Regional Office throughout the year.
 - Upon notifying Regional Office personnel of these issues, a new trial balance was prepared by the Regional Office and provided to auditors in December, 2008. It was noted that entries had been made to record the missing payroll and the loan received from Cook County. However, no entries were noted regarding the employee cash advances, capital asset depreciation, deferred revenue, or accounts receivable/accounts payable.

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Accepted – continued

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements. There was also a lack of management oversight and review of financial information on a timely basis.

Response: An outside payroll service was added in 2008. This provides payroll controls when using an outside service. In 1/5/09 the business manager was replaced with a CPA. We are set to implement the new accounting software package, and received the initial training.

Updated Response: Partially implemented. Deferred revenue still needs fine tuning with the auditors.

2. Attempt to streamline operations so that expenditures are lowered and/or continue to seek additional funding sources. (Repeated-2006)

Findings: The Regional Office of Education's liabilities exceeded its total net assets by \$941,844 as of June 30, 2008. If the Regional Office continues to operate at the current level without obtaining additional funding or decreasing expenditures, its ability to continue as a going concern is questionable. Revenues decreased by \$39,816 in FY08 while expenditures increased by \$334,348 in the same period. The deficiency of revenues over expenditures was \$528,410 for the year ended June 30, 2008 as compared to \$154,246 for the year ended June 30, 2007.

Despite a finding in the prior two audits (FY06 and FY07) regarding the Regional Office's ability to continue as a going concern, Regional Office officials made significant new expenditures in FY08 including:

- Payroll expenses increased by approximately \$146,000 from FY07 levels.
- At least 20 new computers were purchased at a cost of \$21,218.
- During FY08, a new phone system was purchased at a cost of approximately \$9,300. Based on review of the fixed asset listing from the prior year, it was noted that a phone system for the Regional Office was purchased in October 2006 at a cost of \$8,900.

In addition, on June 17, 2008, the Regional Office obtained a loan from Cook County in the amount of \$190,000. This loan was used to finance Regional Office operations. Given the financial condition of the Regional Office, there is concern as to the ability of the Regional Office to repay this loan, which is due June 30, 2009. In most cases, it is not typical for a Regional Office of Education to pursue debt in order to continue operations.

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The Regional Office management undertook significant expenditures without the plans in place to adequately fund such expenditures. In addition, there were many questionable uses of Regional Office funds. ROE No. 14 is the only Regional Office of Education in the State of Illinois that does not receive funding from its respective county.

Response: It appears that expenses are overstated by \$65,912. The Office has considered the going concern issue and developed five plans.

1. A strong initiative in directory and web link advertisements.
2. We have secured an e-rate grant to absorb 65% of telecommunication costs for the year ending 6/30/2010.
3. We are in the process of offering professional development classes to increase revenues.
4. We are planning to change the allocation of the ROE/ISC annual operations budget for year ending 6/30/2010. We plan to increase the amount appropriated to the operations of the regional office and correspondingly decrease the amounts distributed to the ISCs. As of 6/30/07, the three, Cook County ISCs have accumulated net assets of \$2,610,373, \$247,543 & \$9,696,372 respectively. This is in contrast to the 6/30/07 deficit of (\$413,434) at ROE14. Thus there is a plan to balance the budget at ROE 14 with appropriate allocations sufficient to satisfy certification salaries.
5. All other regional offices in Illinois receive funding from their associated counties. ROE 14 does not receive funding from Cook County to support salaries, rent and other operation costs. We have progressed in relations and statutes in this area.

Auditor Comment: During the course of the audit, the Regional Office of Education was unable to provide auditors with a complete fixed asset listing to support the fiscal year 2008 additions and their associated depreciation. Consequently, for many of the asset expenses presented in the ROEs responses, auditors did not have the necessary expense information to propose the appropriate adjustment to the ROEs financial statements.

Even if the total expenses detailed in the ROEs response, \$65,912, were removed from the ROEs expenses presented in the government-wide financial statements, the ROEs liabilities would still exceed its nets assets by \$875,932 and would not obviate the auditor's finding regarding the ROEs ability to continue as a going concern.

Updated Response: Partially implemented. The ROE has received funds from its web link and directory advertisements. E-rate is in the beginning stages of implementation, and telecommunication reimbursements will take place in the near future. Professional development classes are being offered on a break-even or better basis. Payroll has been reduced. A payment plan for the \$190,000 loan from Cook County is planned.

- 3. Implement an accounting software application that provides the necessary controls and reporting features required for proper fund accounting and appropriate support for the multiple programs and funds administered by the**

Accepted – continued

Regional Office. Comply with the Regional Office of Education Accounting Manual and provide the reporting detail necessary to prepare financial statements in accordance with generally accepted accounting principles. (Repeated-2007)

Findings: The Regional Office of Education utilizes an accounting software package which was not designed for governmental entities. The package does not provide the internal controls and reporting features required for proper fund accounting. The software package allows for the revenues and expenses of the Regional Office of Education's programs to be accounted for separately, but combines all assets, liabilities, and fund balances. The Regional Office had purchased a new accounting system, but had not placed it into service.

Response: The current software has a break down option for class. Each fund is currently broken down by class. We plan to implement the new software with a better capacity for fund accounting for the period beginning 7/1/08-6/30/09. Initial training for this software package is complete.

Updated Response: Implemented.

4. Assure that a system of internal controls has been established and is maintained to control disbursements and prevent errors and fraud.

Findings: The auditors noted the following weaknesses in the Regional Office's internal control system:

- a. In 10 of 50 transactions tested, there was no invoice to support the expenditure.
- b. In 13 of 50 transactions tested, there was not proper approval of expenditures before payment was made.
- c. In two of 50 transactions tested, non-business-purpose advances were paid to employees.
- d. In two of 50 transactions tested, it was noted that an Assistant Regional Superintendent was being paid from grant funds for consulting services. The Assistant Regional Superintendent was also receiving salary from State on-behalf payments.
- e. In five of 50 transactions tested, copies of invoices, as opposed to original invoices, were used as supporting documentation for expenditures. In these cases, the Regional Office failed to maintain original copies of the invoices from the vendors and as a result had to contact the vendor for another copy.
- f. In two of 50 transactions tested, there was documentation to support the expenditure amount; however, no documentation to prove that the expenditure related to Regional Office activities.

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- g. In two of 50 transactions tested, the amount paid was incorrectly calculated. In one instance, an employee's hours were calculated improperly and the employee was overpaid. The other instance related to a mileage reimbursement that was incorrectly totaled on the reimbursement form and subsequently paid without correction.
- h. In one of 50 transactions tested, the invoice was not marked paid and did not reference a check number. This situation would allow for an invoice to be inadvertently paid twice.
- i. In two of 50 transactions tested, the expenditure was not paid timely for reimbursements.
- j. In two of 50 transactions tested, it was noted that sales taxes were paid. The Regional Office is exempt from the payment of sales tax but did not provide documentation to the vendor to avoid paying the sales tax.
- k. In one of 50 transactions tested, an expenditure was not recorded in the proper period.

Because of the overall lack of internal controls, which resulted in the problems listed above, questions as to the accuracy and completeness of the general ledger, and problems noted in other findings throughout this report, auditors terminated work before testing was completed and issued a disclaimer of opinion on the financial statements for the year ended June 30, 2008.

Response: Implemented. The Office has implemented the controls with segregation of duties. For instance, as of 1/5/09 the person who handles the books does not sign the checks. Also, the accounts payable files have been put in order. We have instituted procedures, such as including all business receipts for any reimbursements.

5. Ensure that all bank statements and pooled cash accounts are reconciled timely and not less than monthly.

Findings: The Suburban Cook County Regional Office of Education No. 14 maintains pooled cash accounts for many of their funds. The Regional Office did not complete the last 9 of 12 monthly reconciliations of its bank statements and pooled cash accounts for fiscal year ended June 30, 2008. These were completed in December 2008 after auditors brought the situation to the attention of management. The Regional Office was unable to locate original copies of the bank statements and had to contact their bank to request new copies.

Response: Implemented. The Office has implemented a running reconciliation for both bank accounts. This is adjusted at least every 2 days. This has been effective to constantly monitor our cash flow.

6. Adhere to the ROE Accounting Manual and check the fixed asset listing for accuracy and existence through an annual physical inventory. Perform

Accepted – continued

reconciliations between the fixed asset listing and the recorded capital outlay expenditures for the year. Finally, calculate and track depreciation on all fixed assets.

Findings: An Updated fixed asset listing was not maintained by the Regional Office during the year. The Regional Office did not provide a listing to auditors until December 2008. The fixed asset listing that was provided was inaccurate and incomplete. Several items were missing from the asset listing. Many of the required details such as purchase date, cost, useful life, etc were not provided. Also, depreciation was not calculated for a majority of the items on the listing. The information provided was unreliable, and auditors were unable to obtain information to accurately reflect fixed assets maintained by the Regional Office.

Response: Computers are tagged to support the material acquisitions. We are developing a system to record depreciation on these acquisitions, as well as the existing assets.

Updated Response: Implemented.

- 7. Ensure that all program transactions, including payroll, are recorded timely and accurately. Review financial information on a regular basis to ensure that all program transactions are properly presented.**

Findings: ROE hired an outside agency to prepare payroll beginning in February 2008. Beginning on this date, no payroll transactions were entered into the accounting records until December 2008.

Financial information maintained by the Regional Office was inaccurate and incomplete. Recording of payroll transactions was not completed timely. There were no reviews of financial information by management to ensure that program transactions were being recorded timely and accurately.

Response: The ROE utilizes an outside payroll service. Currently, we have developed a system to record the payroll transactions with each pay period. Also implemented is a system to reconcile the general ledger to the payroll tax returns.

Updated Response: Implemented.

- 8. Discontinue the practice of providing payroll advances to employees. For those payroll advances already granted, seek repayment of those advances as expeditiously as possible.**

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Findings: In testing 50 disbursement transactions, two instances were noted where cash advances were provided to employees. In both instances, contracts were signed by the Regional Superintendent and stipulated terms for repayment through payroll check deductions. Neither of the contracts required collateral or security in the event that the employee ceased employment at the Regional Office.

- The Regional Superintendent approved a cash advance for \$6,000 to an employee, who is also his family relative, for purposes not related to Regional Office operations. Repayments were to occur each pay period starting on April 4, 2008. The payroll register does not show any repayments between this date and June 30, 2008. The repayments were contracted to occur for 7 pay periods in FY08; no actual repayments occurred.
- The Regional Superintendent approved a cash advance for \$9,000 to an employee for purposes not related to Regional Office operations. Repayments were to occur each pay period starting on November 16, 2007. It was noted that during 10 pay periods after the Regional Office began using an outside payroll vendor, there were three occasions where repayment was not made. Prior to the use of the outside payroll vendor, the auditors could not readily determine whether repayments had been made.

Updated Response: Implemented. Cash advances have been repaid, and the practice of offering cash advances has been eliminated.

9. Strengthen internal controls to ensure that credit card bills are paid in a timely manner. Reduce or eliminate the amount of transfer fees and other service charges incurred, and ensure that sales taxes are not incurred on goods purchased by the Regional Office.

Findings: The ROE has six credit cards assigned to various employees. The Regional Office was only able to provide 41 of the 72 credit card statements for FY08. Per review of these statements, it was noted that \$946 was incurred for finance charges, \$573 for late fees, and \$279 in other miscellaneous service charges. Approximately \$1,304 of the total \$1,798 in charges was incurred on the Regional Superintendent's credit card.

Auditors noted during their review of bank statements, that the Regional Office paid \$133 during FY08 for performing wire transfers from their operating bank account. In addition, in two of 50 transactions tested, it was noted that sales taxes were paid on Regional Office purchases.

Regional Office staff indicated that credit card bills were not paid timely due to employees not turning in invoices timely and invoices lacking proper documentation.

Response: Regarding the sales tax issue, new procedures have been implemented: a voucher cannot be approved with taxes, since we are tax exempt. Payments on credit

Accepted – continued

cards are made on a monthly basis and are no longer late, as we have hired a new business manager. Also, only superintendents & assistant superintendents and the office manager were afforded a business credit card. Currently, there are only 2 active credit cards, issued to the Regional and Deputy Superintendent.

Regarding finance charges, we have eliminated a supplementary bank account to reduce fees. Ultimately, finance charges affect those with less cash. Thus, our primary objective to secure new revenues will indirectly reduce finance costs.

Updated Response: Implemented. The ROE has stopped most use of credit cards and is currently paying down balances. As of November 2009, balances on the two active credit cards were about \$11,000 on the superintendent's card and \$2,500 on the assistant superintendent's card. The assistant superintendent's card is no longer in use, and the only use of the superintendent's credit card was for an advance to cover payroll and for basic office expenses such as copy paper and toner.

- 10. Ensure that appropriate documentation is provided for all credit card expenditures. Additionally, establish a policy which prohibits the use of Regional Office credit cards for personal use, and require that each receipt for a meal expenditure submitted for reconciliation to the credit card statements should include documentation showing the purpose of the expenditure, to which program it applies, and for whom the meal was purchased. Seek repayment of any personal expenses charged on Regional Office credit cards.**

Findings: The Suburban Cook County Regional Office of Education No. 14 has six credit cards assigned to various employees.

The Regional Office provided 41 of the 72 credit card statements for FY08 for review. The following was noted during a review of these credit card statements:

- There was an overall lack of documentation to support credit card purchases. Seventy percent (94 of 135) of purchases made on the Regional Superintendent's credit card were not supported by receipts. The majority of credit card statements did not have supporting receipts and documentation attached to the payment vouchers and invoices.
- Credit cards were used for personal expenses. Of 40 purchases made with the Regional Superintendent's credit card that auditors selected for follow-up, at least 16 were made for personal purchases. These included airline tickets to Mississippi purchased for family members, as well as food and rental car expenses. On nine occasions during the period October 2007 through February 2008, the Regional Superintendent withdrew a total of \$6,669 in cash advances on his credit card. These advances were taken both in Illinois and Mississippi. When auditors

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questioned the Regional Superintendent concerning the purpose for taking the cash advances, the Regional Superintendent stated the advances were so that a vehicle and furniture could be purchased for the Regional Office. However, the vehicle and furniture was never purchased by the Regional Office. According to the Regional Superintendent, these advances were paid back to the Regional Office from his personal accounts using “pay-by-phone” payments. The Regional Office was also charged \$219 in finance charges on these cash advances.

- Payments to the credit card company were made directly from the Regional Office, as well as “pay-by-phone” payments. The Regional Superintendent’s credit card statement showed several “pay by phone” payments, totaling \$9,139. In addition, “pay-by-phone” fees were incurred in the amount of \$60. Regional Office officials indicated that the “pay-by-phone” payments were made from the Regional Superintendent’s personal accounts to cover his personal transactions. However, since payments were made from a personal account, auditors were unable to obtain information to support this claim. The “pay-by-phone” payment amounts did not correlate directly with exact expenditure amounts. Auditors were unable to determine whether all non-business-purpose expenditures, including cash advances, were repaid from the Regional Superintendent’s personal accounts.
- There were at least 46 meal or food purchases totaling \$3,198 on the Regional Superintendent’s credit card. In most instances, there was not adequate support as to the reason for the expenditure. Subsequent to the auditors’ inquiry, some receipts were provided. However, without documenting the individuals for whom the meal expenses were incurred, either on the meal receipt or a purchase voucher, prior to the time the credit card payment is being made, it is difficult to determine: 1) whether all the meals were of a business purpose; and 2) whether the meal charges were reasonable.
- Eleven of the 40 purchases made with the Regional Superintendent’s credit card on which auditors conducted follow-up were purchases of meals or food. Of the 11, four were purchases made for ROE staff: \$736 for a holiday luncheon for staff, \$200 for ROE Leadership meeting and plans for the Superintendent Breakfast, \$133 for a luncheon for secretaries and administrative assistants, and \$127 for ROE Directors Luncheon Meeting. Five of the 11 were personal purchases. For two expenses classified as business by the Regional Superintendent, no information was provided as to who received the meals.

Response: Personal purchases were repaid. The cards are to be utilized where there is a clear business purpose, thus no personal purpose; detail receipt back up is required. There is a written credit card policy that has been put in place.

Updated Response: Implemented. The Superintendent reviewed all purchases with the new business manager and all personal purchases were repaid.