

**PEARL RIVER COUNTY SCHOOL DISTRICT
NARRATIVE FOR SIGNIFICANT AUDIT AREAS
FYE 6/30/2022**

AUDIT AREAS ADDRESSES:

Cash and Other Deposits
Goods & Services Payables and Expenditures
Debt Liability/Debt Service Expenditures
Fund Equity

Narrative:

1. Each school or department is issued requisition forms.
2. Teachers, Secretaries and other individuals requesting goods are responsible for preparing requisitions.
3. Financial secretaries or the Purchasing Clerk enter requisitions into Marathon and School/Department Administrator approves them electronically.
4. Chief Financial Officer (CFO) proofs the requisitions and checks for compliance with purchase laws and accuracy of accounting codes then electronically transfers them to Purchase Orders.
5. If the purchase requires quotes, the Purchasing Clerk or Financial Secretary obtains quotes from at least two vendors.
6. If the purchase requires bids then items are added to the agenda for the next board meeting. Upon board approval, the District advertises for the goods. Bids are received and presented to the board for their approval.
7. All purchase orders are electronically signed by the CFO or Superintendent.
8. Approved purchase orders are faxed, mailed, or emailed to the vendor from the Central Office if it is not a local vendor. If the vendor is local then the purchase order is returned to the person requesting the goods.
9. Purchase orders consist of three copies. The Purchasing Clerk sends one copy to the school, mails one to the vendor and the Central Office retains one copy to be filed by purchase order with the requisition to match with vendor invoice and packing slip.
10. All goods are received at the school/department level. The school/department notes the receipt of goods by signing the packing slip. The original packing slip is matched up with the invoice and purchase order.

11. The purchase order is matched with the invoice and packing slip by the Accounts Payable Clerk. The invoice is recalculated, the classifications checked, and entered into Marathon. When the Accounts Payable Clerk rechecks the invoice she signs the bottom of the purchase order to indicate the invoice is ready to pay.
12. The computer generates a claims payable listing. All debt requirements and other financing uses are presented to the Board as part of the claims payable listing.
13. The claims payable listing is presented to the Board for approval.
14. Checks are printed out of the accounts payable clearing fund. The CFO verifies checks are printed correctly.
15. The Accounts Payable Clerk prepares the checks for mailing. The Bookkeeper postages and takes the bills to the Post Office or the mail carrier picks up the mail here around 12:00 p.m.
16. Invoices are filed by month and batch and include the following:
 - 1) Copy of purchase order
 - 2) Quotes
 - 3) Bids
17. Bids are maintained by the Purchasing Clerk.
18. The CFO prepares all journal entries and enters each into Marathon. The CFO generates the general ledger.
19. Bank statements are reconciled by the CFO.

Computer Audit Trial:

Cash Disbursements Journal
General Journal
Monthly General Ledger
Trial Balance

AUDIT AREAS ADDRESSED:

Cash and Other Deposits