



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 31, 2013

Mr. Michael Faulk, Superintendent,
and School Board Members
Central Community School System
Post Office Box 78094
Baton Rouge, Louisiana 70837

Dear Superintendent Faulk:

As you are aware, my Advisory Services staff visited the Central Community School System (School System) to conduct an assessment of certain matters that were disclosed in the School System's 2012 audit report. My advisors completed their assessment and recently discussed their findings and recommendations with you, the School Board President, and the Director of Finance. This follow-up letter summarizes the results of our advisory work.

As discussed, while some progress has been made in addressing and resolving the findings in the School System's 2012 audit, a considerable amount of work remains. We encourage you to implement recommendations made and we understand that the School System will address/resolve the following matters in a timely manner:

- Develop a comprehensive policy and procedure manual for all critical business operations
- Reconcile bank statements and general ledger balances on a timely basis to ensure transactions are properly recorded and financial statements are accurate
- Record transactions in the general ledger at the time they occur or shortly thereafter
- Develop a formal month-end financial statement closing process, including a checklist to assist accounting staff
- Continue to strengthen controls related to the segregation of various payroll functions
- Ensure that School Activity Fund (SAF) bank accounts are reconciled by school staff on a monthly basis and periodically review/test SAF collections and expenditures for propriety and reasonableness (e.g., on-site surprise visits)

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- Update capital project worksheets and reconcile amounts to the amounts recorded in the general ledger on a timely basis to ensure completeness and accuracy
- Prepare and submit a records retention schedule to the state archivist (Louisiana Secretary of State's Office) for approval as required by Louisiana law (R.S. 44:411)

My staff will be monitoring the resolution of these issues, and if you have any questions about the assessment, please call Mike Battle or Stuart Dickey at 225-339-3800.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch