



# CFO Assessment Report

**DeKalb Preparatory Academy**

*Prepared by*

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**Delivered on:** Not yet submitted | **Submitted by:** Candy Yu, Avolon Accounting & CFO

Services

# ASSESSMENT OVERVIEW

## Assessment participants (in person and/or virtual)

Mrs. Wanda Brooks-Long (In-person and Virtual)

Mrs. Marina Simpson (In-person and Virtual)

Mrs. Suzette Arnold (Virtual)

Mrs. Janelle Wilhite (Virtual)

## Background:

School CFO Mrs. Susan Wright resigned from the position on May 9th, 2022. The school was in the middle of April month-end close process in May 2022. Mrs. Brooks Long is new to the school and the school needs a temporary CFO assistant to stay on track.

Avolon is engaged to provide daily operational support and also provide a CFO assessment review on the school's current process.

## Overall Assessment:

After discussion with multiple personnel within the finance department and the school leader. We believe the school's overall financial operations are overall stable and in good standing. The school has a strong cash reserve on hand.

We did identify some internal control deficiencies and missed best practice procedures (See detailed assessment below). Some areas such as lack of grant management will result in the school, not being in compliance with grant compliance requirements. However, these can be easily ratified and improved.

It is my recommendation as CFO consultant that the school follows and implements the recommended action plan. With the proper implementation, we believe the school's financial operation will improve in both transparency and efficiency in time for the renewal preparation.

# DETAIL ASSESSMENT REPORT:

## Accounts Payable

### ***Areas with sufficient internal control:***

- Good internal control manual process for AP requisition submission to purchase to invoice
- Good manual procedure for approving invoices for payments
- The bookkeeper/office manager is knowledgeable about vendors

### ***Areas in need of improvement:***

- Lack of transparency & efficiency with the manual process
- No AP aging, bills are paid as they come in. Per compliance, AP should comply with full accrual basis accounting standards.
- Ineffective manual cash management system
- Bookkeeper/office manager exceeds capacity and lacks effective hands-on training.
- Lack of check oversight: Old outstanding checks discovered that are over 120 days.
- Lack of vendor management: Vendor contracts are not managed by AP, accounting dept does not have all vendor-related documents in possession.

## Bank Activities & Reconciliations

### ***Areas with sufficient internal control:***

- Bank reconciliations are current within QB as of March 31, 2022

### ***Areas in need of improvement:***

- No segregation of duties between posting and reconciliation. CFO post bank activities and also reconcile the bank statements.
- Lack of efficient oversight: CFO issues ACH payments and also is the one who reconciles the bank accounts.

## Deposits

### **Areas with sufficient internal control:**

- Sufficient manual deposit procedures including lockbox

### **Areas in need of improvement:**

- A large number of cash deposits due to school populations
- Liability issue with staff making manual deposits directly from school to the bank

## Payroll

### **Areas with sufficient internal control:**

- Sufficient manual payroll posting and approval process

### **Areas in need of improvement:**

- The payroll system is not utilized to 100% capacity such as payroll approval within the system, payroll GL import features etc.
- The current interim CFO does not have payroll access.

## Month End Closing

### **Areas with sufficient internal control:**

- Current with the month-end closing prior to CFO resignation.
- Good financial report template with graphic
- Month-end closing schedule consistent

### **Areas in need of improvement:**

- Lack of transparency for the month-end closing reconciliation process. Prior CFO does all reconciliations and reporting. No segregation of duties demonstration for check-in balance.
- Lack of efficient reportings per board members' feedback
- Not all balance sheet accounts are reconciled on a monthly basis, such as payroll liabilities, etc.

## Credit Cards and Reconciliation

**Areas with sufficient internal control:**

- Sufficient manual deposit procedures including lockbox

**Areas in need of improvement:**

- Lack of efficient process for credit card receipts back up to the credit card statements
- No credit card users policies in place

## Audit

**Areas with sufficient internal control:**

- No audit findings since 2019

**Areas in need of improvement:**

- NA

## Chart of Accounts

**Areas with sufficient internal control:**

- The Chart of Accounts are in DOE compliance

**Areas in need of improvement:**

- Bookkeeper/Office Manager needs more in depth COA training
- Grant GL accounts are not separated out from GL, update is needed.

## Cash Management

No assessment was done on these areas. The school currently does not have any cash flow issues at this point.

## Grant Management

**Areas with sufficient internal control:**

- Title I submission is current

***Areas in need of improvement:***

- Facility grant, Esser 2 grants submission were not completed
- No YTD grant budget vs actual tracking completed
- The bookkeeper/Office manager needs training on how to post for grant-related AP and payroll entries.
- Grant GL postings are included in general funds.

**Budget vs Actual**

No assessment was done on these areas. The FY23 budget is approved by the board prior to the assessment. Further assessment will be completed after the May month-end close.

**Nutrition Program*****Areas with sufficient internal control:***

- Submissions are completed on a consistent basis

***Areas in need of improvement:***

- Lack of oversight: No monthly reconciliation completed.

**Before and After School Program**

No assessment was done on these areas.



# RECOMMENDATIONS:

1. Implement semi-auto AP process such as [bill.com](https://www.bill.com) system to improve both transparency and efficiency of AP process. This will also help to create a virtual filing system for a better filing system.
2. Defined further the job scope for bookkeeper, accountant, and CFO to ensure proper segregation of duties and check-in balance standards in place.
3. Create written procedures for all financial operation processes to ensure best practice standards.
4. Introduce merchant solutions to reduce the amount of the cash deposits if any
5. Improve and implement full ADP payroll system functions to eliminate the manual approval and posting process.
6. Establish grant financial procedure and process to ensure timely submission and accrual posting to QB.
7. The transition from Quickbooks online version to online hosted Quickbook desktop version to allow better QB functions.
8. Train bookkeeper on all bookkeeping functions within QuickBooks on reporting functions.
9. Train bookkeeper on DOE chart of accounts (Completed)
10. Train grant staff on grants and their grant cash management
11. Evaluate current programs to determine each sustainability.