



## Springfield Public Schools

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### **Final Audit Report Food Service Federally-Donated Commodities Inventory Audit**

#### **Objective**

Each year, the district must complete a physical inventory at the end of year of all federally-donated commodities on hand at all of the school sites and at the warehouse (and the underground storage). The district must then complete a form for submittal to DESE. The objectives of this audit are to determine that the required physical inventories are being conducted and to determine if the physical inventories are complete and accurate, and that the required reporting to DESE is accurate and timely.

#### **Scope**

The physical inventory at the warehouse and selected school sites were observed. Review of the compilation of the school sites inventories was reviewed and the review and submittal of the required form to DESE was conducted.

#### **Work Performed**

A physical inventory of the federally-donated commodities for the district was taken on 1/4/08. A listing of the 01/03/08 inventory was created by Food Services based on the district's federally-donated commodities inventory records. This list was used to compare to actual physical inventory counted at the warehouses. Discrepancies in the inventory counts compared to the list from Food Services were insignificant.

All school sites are instructed to segregate and store their federally-donated commodities at the school sites. Two random school site visits were made on December 20, 2007 and the physical inventory of the federally-donated commodities was observed. Copies of the completed inventory sheets from both schools were obtained. The district-wide consolidated spreadsheet prepared by Food Service was also obtained. This spreadsheet combines the inventories reported by all of the schools and the warehouses for reporting to DESE. The inventories recorded at the school sites

that were observed were compared to the consolidated spreadsheet for accuracy. Discrepancies were found between the collected school site inventories and the consolidated spreadsheet. The consolidation of the school sites and the warehouse within the spreadsheet was also reviewed and no calculation errors or other problems were detected.

The results of the physical inventory for the warehouse site were compared to the reported inventory on the consolidated spreadsheet to be reported to DESE. The required form for DESE was completed and submitted timely.

## **Conclusion**

When the inventory sheets that were recorded at the two school sites were compared to the consolidation spreadsheet that was used to combine the school sites and the warehouse for reporting to DESE, discrepancies were found. Food Service management conducted a follow-up regarding these findings. Some of the findings were a result of reporting calculation errors (pounds versus cases). Another finding was an item that was found after the internal auditor had conducted the on-site visit and the item was added to the inventory sheet before it was sent to the Food Service office. The quantities reported to DESE were correct.

A recommendation would be to create a spreadsheet which reconciles the physical inventory reported by the warehouse to the physical inventory of each commodity on record by Food Service (showing beginning inventory, plus goods received (as reported by the state) less goods delivered to the school sites to compute ending inventory). This reconciliation should be conducted monthly. Variances should be investigated.

Food Service management reports that federal commodities are now ordered via an on-line computer system through the warehouse. Monthly reconciliations are conducted of the inventory records to the warehouse reports. Any variances are investigated with conversation with the warehouse and, if needed, physical inventory checks by the warehouse. Any shortages are required to be replaced by the warehouse.