

CORRECTIVE ACTION PLAN
INTERNAL AUDIT REPORT ON EXTRACLASSROOM ACTIVITY FUND
June 30, 2018
AUDIT FIRM – R.S. ABRAMS

Policies and Procedures

Procedure Performed: We reviewed the District policies and procedures to determine whether the District is in compliance with Finance Pamphlet No. 2, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*.

Findings: We noted that the following when reviewing the District's policies and procedures:

- *Fundraiser Approval Forms* were not utilized in the 2017/2018 year for all fundraising activities. It was also not required for faculty advisors to obtain approval for all activities. Per our discussion with several faculty advisors, if a fundraiser has been done many years in a row, approval is not required. However, proper approval will be a requirement in the coming years.
- Per the Board Policy *Extraclassroom (Cocurricular) Activity Funds Regulations*, No. 5252-R, the Superintendent is responsible for recommending faculty advisors. During our discussion with the Chief Faculty Counselors, they are the ones responsible for advertising and recommending faculty advisors for open positions.
- We noted in the beginning of the school year, Faculty Auditors were co-signing checks written to vendors for each club. This was corrected during the year as they were responsible for the oversight of the extraclassroom activity and should not have had authorization to sign checks.
- During our interview process with selected faculty advisors we noted the following:
 - The High School Orchestra Club faculty advisor locks the money received in a drawer instead of bringing receipts to the main office safe for safekeeping.
 - The Middle School Orchestra Club faculty advisor locks the money received in a drawer instead of bringing receipts to the main office safe for safekeeping.
 - The Ballroom Dance Club consists of students from sixth through eighth grade that meet once per week to perform and practice various types of dance routines. The faculty advisor for the club is also the teacher for chorus classes at the Middle School. The two trips that are run through the Ballroom Dance Club are only available for chorus students to participate in. Receipts and disbursements relating to these chorus-based trips are flowed through the Ballroom Dance Club.
 - For funds collected by the Middle School Drama Club, the student treasurer is not involved in the recounting of money received. Also, money collected is kept in the safe in the main office as well as the faculty advisor's locked office cabinet.

Recommendations: We recommend the District review the items noted above and implement procedures to improve the accounting, internal controls and procedures within the extraclassroom activity fund. We also recommend the District provide additional training to the extraclassroom treasurers and advisors on the guidelines outlined in *The Safeguarding, Accounting and Auditing of Extraclassroom Activity Funds – Finance Pamphlet 2*.

District Response: The District agrees that there needs to be additional training for the extraclassroom advisors (who will in turn train the student treasurers). The District will provide training at the beginning of the new school year. The expectation will be that the Fundraiser Approval Forms will be utilized for all fundraising activities, the faculty advisors will keep funds ONLY in their respective school’s safe until such time as they are brought to the Central Treasurer, and the student treasurers will take part in any counting/recounting of funds.

Regarding Regulation 5252R, at the beginning of each school year, the Human Resources Department sends out a list of all Cocurricular positions to the teaching staff. Staff members who are interested in Cocurricular positions express their interest to the Building Principal, who in turn recommends the faculty advisors to the Superintendent. The Superintendent in turn recommends the appointment to the Board of Education. The District does not see this as a deviation from Regulation 5252R

High School Cash Receipts

Procedure Performed: We selected a sample of extraclassroom cash receipts for proper support, authorization and student involvement by tracing to receipts, properly completed and approved deposit tickets and other supporting documentation.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation:
N/A

District Response:
N/A

High School Cash Disbursements

Procedure Performed: We selected a sample of extraclassroom cash disbursements for proper support, authorization and student involvement by tracing to receipts and/or invoices and properly completed and approved payment orders and other supporting documentation.

Findings: We noted one out of twenty-one disbursements tested did not pay sales tax.

Recommendations: We recommend the clubs pay sales tax when purchasing taxable items.

District Response: The District agrees with the recommendation to pay sales tax at the time of purchase. This recommendation will be communicated to the advisors.

Middle School Cash Receipts

Procedure Performed: We selected a sample of extraclassroom cash receipts for proper support, authorization and student involvement by tracing to receipts, properly completed and approved deposit tickets and other supporting documentation.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation:

N/A

District Response:
N/A

Middle School Cash Disbursements

Procedure Performed: We selected a sample of extraclassroom cash disbursements for proper support, authorization and student involvement by tracing to receipts and/or invoices and properly completed and approved payment orders and other supporting documentation.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation:

N/A

District Response:
N/A