

Internal Audit Report

Management of Student Activity Funds

Boyett Junior High

May 19, 2025

St. Tammany Parish School System

Office of Internal Audit

Background

Boyett Junior High (BJH) School is located in Slidell, Louisiana and provides services to approximately 645 seventh and eighth grade students. The St. Tammany Parish School Board (STPSB) employs individuals to work at BJH. The management structure of BJH includes a Principal and one Assistant Principal with the bookkeeper reporting to the Principal.

Public schools in Louisiana are supported primarily by state funding and local taxes. In addition to this funding, individual schools generate additional revenues from other sources such as fundraisers and other school activities. These revenues, known as Student Activity Funds, supplement the instructional program and contribute to the educational experiences of the students and benefit the general welfare of the school.

The management of the Student Activity Funds is decentralized with oversight at the level of the Principal. Financial policies and procedures governing the management of the Student Activity Funds have been developed by STPSB and are updated annually and promulgated to all key school personnel.

Audit Objectives

The objectives of the audit were to:

- Determine the adequacy of the internal control environment over the school's accounting function at BJH.
- Review the school's compliance with STPSB School Finance Handbook (Administrative Guidelines/Best Practices for School Activity Funds Accounting).

Audit Scope

For the period 6/1/2024 to 4/30/25, a limited review was performed of the financial records of BJH. The purpose of the review was to determine if the school's financial records, policies, and procedures were maintained in accordance with the STPSB School Finance Handbook and Louisiana Revised Statutes. This review included tests of the accounting records and other auditing procedures deemed necessary.

Testing Method

Key members of management, accounting and bookkeeping staff at BJH were interviewed to gain an understanding of the financial management of the school. In addition, financial policies and procedures contained in the STPSB School Finance Handbook were reviewed.

Procedures included the assessment of controls for each in-scope audit area. Documents that were reviewed during testing included supporting documentation for a combined thirty-three receipt and disbursement transactions. This documentation included but was not limited to invoices, receipts, bank records, purchase authorization forms, bank reconciliations, and bank statements.

Transaction total amounts tested for the period 6/1/2024 to 4/30/2025 were as follows:

- \$ 42,865 in receipts (27% of total \$'s receipted)
- \$ 75,622 in disbursements (38% of total \$'s disbursed)

Audit Observations/Results:

1. Compliance with Fund Collection Policy – General Receipting

Observation:

The STPSB fund collection policy requires each individual collecting school funds should list all names and amounts on the two-part School Money Collection Form. Testing of receipt transactions revealed that when collecting funds the school typically was not delineating who the funds were receipted from but instead merely indicating the total receipted.

Recommendation:

Teachers and staff who handle collection of funds should delineate on the School Money Collection Form the individuals in which funds were collected.

Management Action Plan:

This system will be reviewed with those teachers and staff who have done it incorrectly. Additionally, this system will be reviewed at the beginning of the school year with all faculty and staff during the professional development days.

2. Compliance With Fund Expenditure/Obtaining Proper Approval Prior to Purchasing School-Related Items (Repeat Observation)

Observation:

As part of the disbursement testing, a sample of twelve disbursements was reviewed. A review of the school's Purchase Request forms indicated that four of the twelve Purchase Request forms selected did not contain the required prior approval needed in order to request and purchase items for the school's operation.

The STPSB School Finance Handbook indicates that expenditures require prior approval from the Principal with "an amount not to exceed, or exact total" provided on the Purchase Request form. The Principal's approval signature confirms that (a) the related account funds are available to cover the expenditure, (b) the person requesting the expenditure is authorized to do so., and (c) that the disbursement is in accordance with LSA-RS 17:414.3 (B)(3).

Recommendation:

In order to maintain an environment with appropriate internal controls regarding disbursements, all required prior written approvals or supporting documentation must be obtained and recorded. The school should follow the STPSB's School Finance Handbook that requires that the School Purchase Request form be completed prior to any purchase and that all documentation supporting the purchase be retained and provided as support for the purchase.

Management Action Plan:

This system will be reviewed with those teachers and staff who have done it incorrectly. Additionally, this system will be reviewed at the beginning of the school year with all faculty and staff during the professional development days.