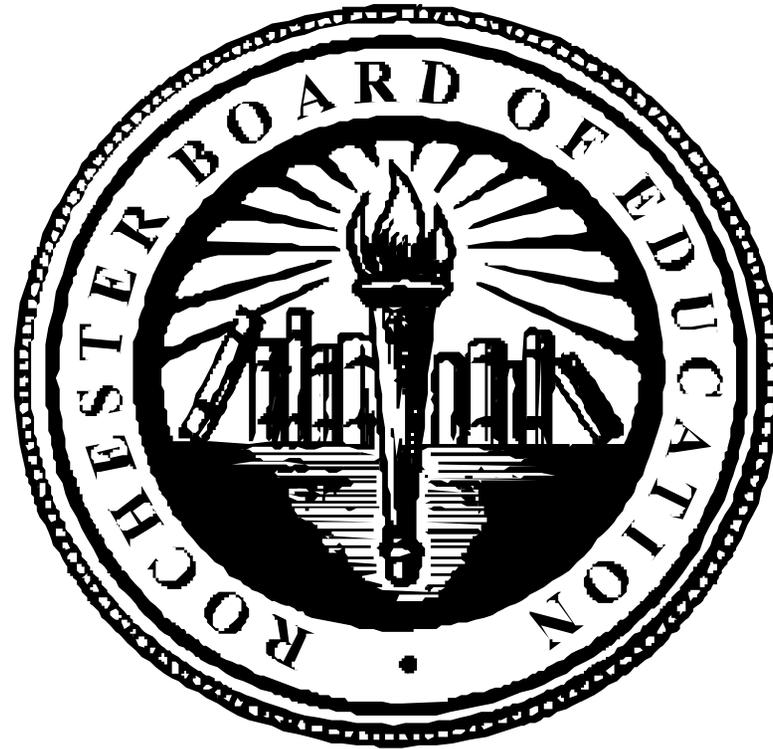


OFFICE OF AUDITOR GENERAL



All City High School Student Activity Funds Audit

January 2014



All City High School

Student Activity Funds Audit

BACKGROUND

Student Activity Funds are mandated by the Commissioner of Education as funds raised by students for the benefit of students. Monies are usually collected voluntarily by pupils and are spent by them, as they see fit, in compliance with established regulations. The District has established a Reference Guide for Student Activity Funds to facilitate compliance. In addition, Finance Pamphlet 2 was created by NYSED to facilitate expectations for managing these funds. Schools should be familiar with these manuals and the procedures within.

OBJECTIVE

To determine whether All City High School is complying with the Reference Guide for Student Activity Funds and Finance Pamphlet 2 and to determine if the proper controls are in place to manage Student Activity Funds.

SCOPE

We collaborated with management and staff to obtain an understanding of the processes and controls in place for Student Activity Funds. We evaluated the school's compliance with the Reference Guide for Student Activity Funds and Finance Pamphlet 2. Funds were assessed to ensure alignment with the intended purpose of Student Activity Funds, as defined by the Regulations of the Commissioner of Education. Inventory, cash management and bookkeeping processes were evaluated to ensure existence of adequate internal controls.

CONCLUSION

Student Activity Funds are intended to provide schools with the opportunity to teach students good business procedures through participation in handling funds and operating a successful business. Overall, there was a lack of evidence to support adequate student involvement in the Student Activity Funds and two sets of books were not maintained. There was a lack of compliance with the District's Reference Guide for Student Activity Funds and Finance Pamphlet 2. Compliance issues were noted in the establishment and renewal processes, fundraising and cash management. Adequate controls did not exist over inventory, cash receipts and cash disbursements. The Club Advisor for the Class of 2013 declined to provide club records for review, due to an ongoing dispute over receiving a stipend for being the Student Activity Fund advisor. As a result, we could not fully evaluate club inventory practices. Lastly, Accounting provided incorrect guidance on how to post entries in the SchoolCash.NET system.

MANAGEMENT ACKNOWLEDGEMENT

Management has met with the Office of Auditor General and understands the various observations and recommendations in this report. The school will work towards improving controls for Student Activity Funds and ensure compliance with established District procedures for Student Activity Funds in areas of monitoring, recordkeeping, fundraising, taxes and cash receipts. In addition management will work with Human Capital Initiative to bring greater clarity to the Advisor that was reluctant to forward all Student Activity records to the Central Treasurer.