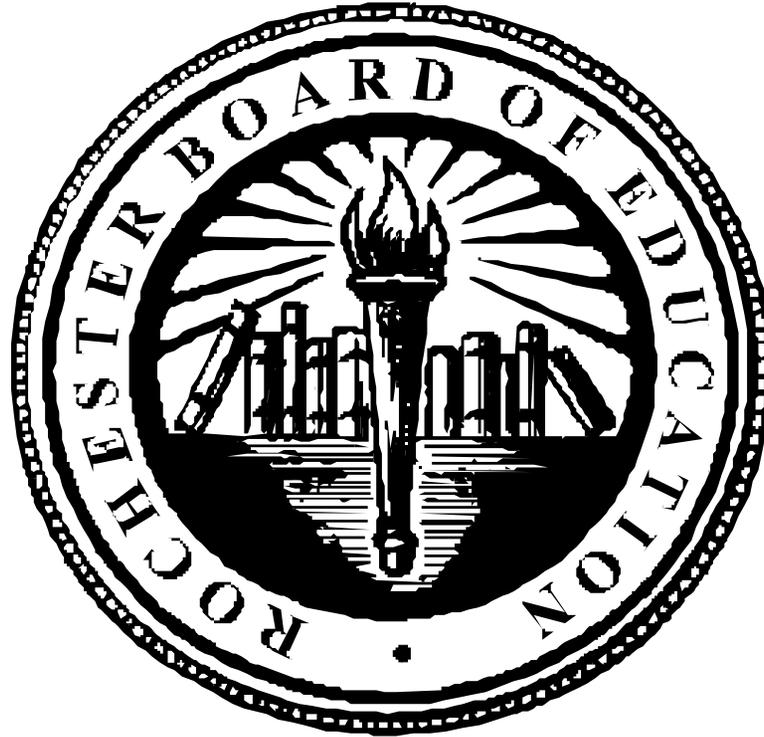


OFFICE OF AUDITOR GENERAL



Northeast College Prep
Student Activity Funds

January 2014



Northeast College Prep Student Activity Funds Audit Office of Auditor General

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 document expectations for managing these funds. Schools should be familiar with these manuals and the procedures within.

OBJECTIVE:

To determine if Northeast College Prep High School is complying with the Reference Guide for Student Activity Funds and Finance Pamphlet 2 and to ensure proper controls are in place to manage Student Activity Funds.

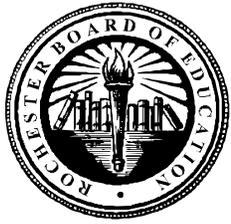
SCOPE:

Funds were evaluated 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 reviewed to ensure existence of adequate internal controls. The Audit period reviewed was the 2012-13 School year.

CONCLUSION:

Northeast College Prep High School lacked compliance with District protocols and procedures for Student Activity Funds. Adequate controls did not exist over inventory, cash receipts, cash disbursements or transfers. Standardized forms were not utilized and transactions were not entered into SchoolCash.Net. Compliance issues were noted regarding the frequency and documentation of club meetings, fundraising documentation, sales tax collection and payment. The School Treasurer commingled cash collected for Student Activity Funds with non-Student Activity Fund cash collections. Additionally, the School Treasurer did not maintain bookkeeping to enable identification of perspective balances.

Administration and staff should increase awareness of cash handling practices to ensure proper control. Student Activity Fund procedures must be understood and enforced to provide adequate controls. Transaction ledgers, profit and loss statements, internal deposit slips, check requests, approval for payments, inventory tracking and regular reconciliations of club transactions to the SchoolCash.Net system must be performed.



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MANAGEMENT RESPONSE:

We have met with Office of Auditor General to review the recommendations in the report. We understand our responsibilities for appropriately managing Student Activity Funds in compliance with established procedures. We have been provided with copies of these operating guidelines and will comply with District requirements. We understand that Office of Auditor General will audit our Student Activity Funds in the 2013-14 school year to verify that procedures have been implemented with fidelity.