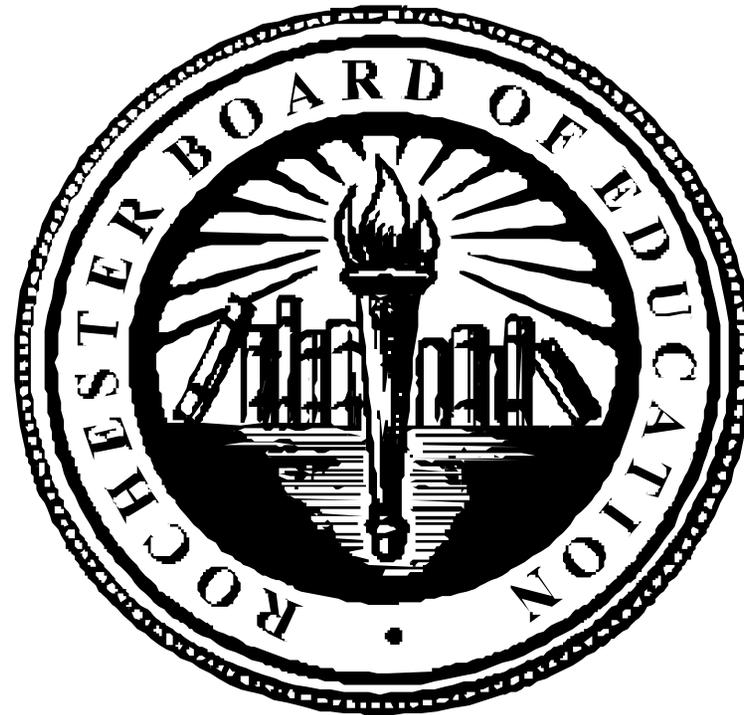


# OFFICE OF AUDITOR GENERAL



## Student Activity Funds and Cash Audits Audit Report

October 2013



# Student Activity Funds and Audits

## Office of Auditor General

### **OBJECTIVE**

To summarize Student Activity Fund and Cash Audit issues which relate to the Accounting Department.

### **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. Non-Student Activity Fund related cash handling procedures are outlined in the District's Business Services Manual.

### **SCOPE**

We compiled audit findings from twelve school-based audits performed from 2011–2013. Elementary and secondary schools were assessed to ensure school cash controls and compliance with Student Activity Funds and other cash handling procedures. They were tested to ensure propriety of transactions, existence of required forms and supporting documentation, required student involvement and reasonableness of reporting. Overall monitoring procedures were also evaluated for effectiveness.

### **CONCLUSION**

Schools do not have an adequate understanding of proper Student Activity Fund and other cash handling protocols and procedures. Therefore, these procedures should be simplified by the Accounting Department and communicated to all District employees. Standardized forms should be created for all applicable areas and all necessary components should be included on the forms. Training should be mandatory and provided to all employees who are involved in Student Activity Funds or handle any non-Student Activity Fund cash. The current training that exists should be redesigned to ensure that it is comprehensive, yet understandable. Adequate monitoring should occur to ensure established protocols and procedures are being complied with. Monitoring should occur at the school level, as well as by Accounting. Accounting should be utilizing Student Activity Fund bank reconciliations and SchoolCash.Net recordkeeping to assist in identifying issues or errors.