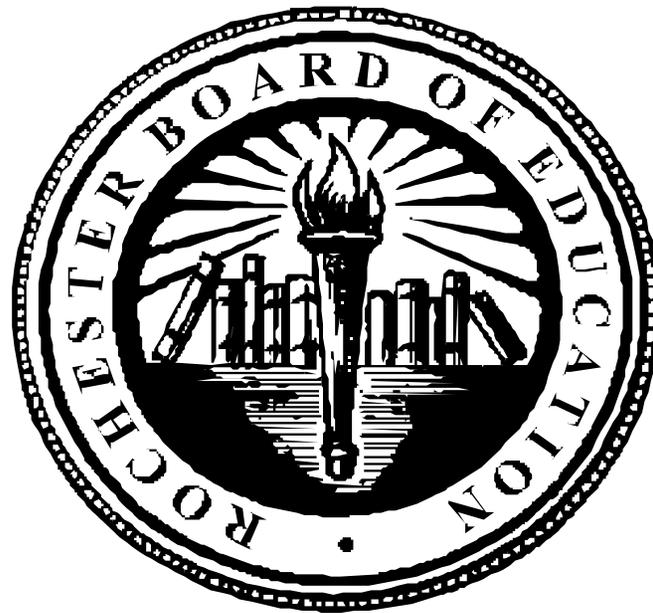
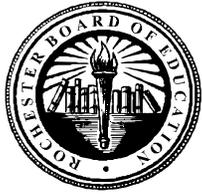


OFFICE OF AUDITOR GENERAL



James Monroe High School Student Activity Funds Audit



James Monroe High School Student Activity Funds Audit Office of Auditor General

OBJECTIVE:

To determine whether James Monroe High School (Monroe) is complying with the Procedures Manual for Student Activity Funds and Finance Pamphlet 2 and to determine if the proper controls are in place to manage Student Activity Funds.

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 procedures within.

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 established guidance. Alignment with the intended purpose of Student Activity Funds, inventory, cash management and bookkeeping processes were evaluated to ensure existence of adequate internal controls.

CONCLUSION:

Significant administrative changes occurred in 2012-13 school year at James Monroe High School. As a result, this review includes concerns that existed prior to the current Principal and School Secretary. We believe the new leadership team will improve the control environment.

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, students were not involved in the business processes of the Student Activity Funds. In addition, 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, meetings, fundraising, cash management and sales taxes. Adequate controls did not exist over inventory, cash receipts and cash disbursements. Two sets of books were not maintained for the Student Activity Funds.

MANAGEMENT ACKNOWLEDGEMENT:

Management has met with OAG to understand the various observations and recommendations in this report. The school will improve the controls for Student Activity Funds and comply with established District procedures.