

SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION
Internal Audit Department



TO: Board of Education

THROUGH: S. Denise Watts, Ed.D., Superintendent of Schools
Dr. Raymond Barnes, Chief of Schools
Larry Jackson, Chief of Finance
Derrick Butler, Chief of Academic Excellence

FROM: Leah Underwood, Senior Director, Internal Audit

DATE: February 6, 2025

SUBJECT: Compliance Audit of Board Policy LEC-Booster Clubs

We have completed our Compliance Audit of Board Policy LEC-Booster Clubs. Our audit report is presented in the sections listed below:

- I. AUDIT RATINGS**
- II. AUDIT OBJECTIVES**
- III. AUDIT SCOPE**
- IV. BACKGROUND**
- V. AUDIT OBSERVATION**
- VI. OTHER MATTERS**

Management's response to our report is attached in its entirety. In addition, the specific action that management has agreed to take in response to each recommendation is included in the Management Action Plan response section of the report, along with who is responsible for the action and when it will be completed.

I. AUDIT RATINGS

We performed the Compliance Audit of Board Policy LEC-Booster Clubs to evaluate compliance to Board Policy. Based on the information reviewed over the course of this audit, the Internal Audit Department has determined an overall rating of the audit as Needs Improvement. Not all schools with boosters follow the same practices with Booster Clubs. Additionally, not all Booster Clubs' By-Laws align with Board Regulation LEC-R. Therefore, implementation of the booster program was not consistent among schools.

Needs Improvement

II. AUDIT OBJECTIVES

Our audit was designed to meet specific objectives. Within those objectives, we focused on areas where we would identify compliance with Board Policy. The objectives of our audit were as follows:

- Review the District's policies and procedures related to booster clubs to determine compliance with Federal, State, and Local guidelines.
- Review each booster club's constitution and by-laws and determine adherence to the rules defined for each club.
- Review how the District monitors booster clubs and identify any gaps or other areas of improvement.

III. AUDIT SCOPE & METHODOLOGY

The Compliance Audit of Board Policy LEC- Booster Clubs was approved by the Board's Audit Committee for FY25. We conducted this audit by reviewing Booster Club By-Laws and interviewing principals to identify their compliance with Board Policy.

Our fieldwork was conducted from September to November 2024. We request all schools who had booster clubs to provide their Booster Club's By-Laws. We reviewed the structure of the by-laws and information within the by-laws to determine compliance with Board Policy. In our interviews with principals, we identified their approval process, communication structure, and financial reviews of their booster club(s) activities.

Internal Audit conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

We assessed the reliability of the testimonial evidence along with the information within the Booster Club By-Laws. We conducted a control test for compliance based on key internal controls developed within the District's Board Regulation-LEC – Booster Clubs. We determined that the data were sufficiently reliable for our purposes.

Details of each area tested and recommendations for strengthening the internal controls in that area are listed below. At the end of each observation, we have identified the priority goals that are most likely affected by the observations identified. Internal Audit has made recommendations to help support the achievement of these goals.

The Way Forward 2026

- I. Students: Student Growth and Achievement for Choice-filled Futures
- II. Stakeholders: Quality Family and Community Engagement Experiences
- III. Employees: Talent Management for Optimal Employee Performance
- IV. Stewardship: Efficient, Effective, and Equitable Resource Stewardship

IV. BACKGROUND

Booster Clubs are parent organizations designed to support the school they are connected to through financial means. They have by-laws that define their roles and responsibilities, along with their financial responsibilities. The funding sources include donations or fundraising activities conducted by parents and/or students. Booster Clubs must follow all tax laws for Federal tax reporting and accounting requirements. Any funds provided by the Booster Club to a school must be in the form of a check and are considered a donation to the school district. Booster Clubs indirectly report to the principal or principal designee of the school.

Principals have authority over the Booster Club as it pertains to the creation, activities, and dissolution of a booster club. These lines of authority include but are not limited to the approval of a booster, approval of activities, review of financial reports, monitoring of the actions of the booster club, and dissolution of the club's assets as defined in the Booster Club's By-Laws.

For this audit, we did not review the financials of the District's Booster Clubs. The District does not maintain a list of all booster clubs within the District. To identify

the number of boosters, we asked all middle and high school principals if their school site had a booster club. Seven schools have one or more booster clubs for a total of sixteen active booster clubs for SY25. This includes five high schools, one K-8 school, and one middle school.

V. AUDIT OBSERVATION

Observation 1. Inconsistent Implementation

The language within the by-laws of the District's Booster Clubs is inconsistent in their compliance with the District Board Regulation LEC – Booster Clubs as well as the structure of their by-laws. Principals are given authority to approve booster clubs but are not provided guidance to implement the rules outlined in the Board Regulation LEC-R- Booster Clubs.

Board Policy LEC- Booster Clubs gives the Superintendent the authority to develop “appropriate regulations” for the establishment and operation of booster clubs within the District. Board Regulation LEC- Booster Clubs provides broad guidelines for these actions. The regulation lists seventeen points of guidance that establishes the authority of the principals, expectations for interactions between the principal and booster club, membership of the booster club, and the financial responsibilities of the booster club.

Internal Audit conducted compliance tests against Board Policy/Regulation LEC- Booster Clubs by selecting a sample of the guidance points within the District's Board Regulation. We identified the following criteria for our review:

- Defined objectives/Purpose (How it will support the District)
- Activities planned with school (Approvals)
- Procedures for financial audit (Monitoring)
- Procedures for dissolution (Protection of remaining funds/assets)

We conducted our review by reviewing the by-laws of each Booster club. We found the following:

- Defined Objectives – All schools had by-laws that complied with the requirements within the regulation for defined objectives.
- Activities planned with school – Three out of the 16 by-laws had reference to a written approval process for conducted activities.
- Procedures for financial audit – Eleven out of the 16 by-laws referred to a yearly financial audit as required by the regulation.
- Procedures for dissolution of a booster: Eight out of the 16 referred to the process for the dissolution of the booster.

In addition to the Booster Club By-Law review, we conducted interviews with principals to identify if practices among the principals with their interactions with their Booster Club were the same. We discovered in our interviews that many of the schools conduct the interactions with boosters differently, this includes

documentation as well as verbal interaction. Many of the principals were unaware of how to implement the policy. This resulted in inconsistency in practice. The responses of our eight interviews with principals provided testimonial evidence to our finding. We asked the following questions to principals:

- What is your approval process for establishing a booster club? – Half of the principals did not have a process, and the other half had a process that existed prior to their appointment to the school.
- Do you receive the by-laws of your booster, approved budget and listing of members before activities begin each year? – Three principals received the information, one asked but the booster did not provide the information, and the remaining four did not receive information; however, they did not ask.
- Describe the written approval process for the activities, projects, and/or fundraisers of your booster. – The approval process varies from school to school. Four of the schools did not know their process.
- Are booster club meetings available for you or your designee to attend? – The majority of the school have the availability to attend.
- Do you provide or are given the opportunity to provide input on the booster's yearly budget? – The majority of the principals have an opportunity to provide input.
- How often do you receive a financial report from your booster? – The majority of the principals responded they either do not get it or have to request it if they want to review it.
- Have you received funds from a booster that was not in the form of a check? – All schools complied with this process.
- Do you know the process of dissolving a booster? – No principal knows the process of dissolving a booster even though they have authority to dissolve a booster if actions of the booster warrant the need.

Outside of the Board Policy Regulation LEC- Booster Clubs no other guidance is provided to principals to implement the broad guidelines provided within the regulation. This includes GaDOE as well. Without proper guidance, practices can become inconsistent, leading to potential risks of non-compliance. We reviewed other guidance provided from other school districts both within the state of Georgia and outside of the state. We found in our review a more detailed set of expectations for both the principal and the booster club in fulfilling the responsibilities outlined in their corresponding policy or regulation.

Booster Clubs can provide essential financial support for school programs through active parental involvement. The District should fully leverage this resource to enhance and sustain student programs by providing the guidance needed for both the principal and parents.

Recommendation of Observation 1.

To Office of School Leadership:

1. Develop comprehensive procedures that align with District's Board Policy and Regulation, ensuring strict compliance with expectations and clearly defining role responsibilities for all parties as defined in the regulation.

Management's Corrective Action

All responsible persons charged with organizing, managing, inspecting and those benefiting from Booster Organizations must be trained annually on Savannah Chatham Public Schools' Booster Organizations policy, regulation, and procedures. Those mandated to participate in training: Principal, Assistant Principal, District Athletic Staff, School Athletic Director, Athletic Head Coach, Music/Band Teacher, Visual and/or Performing Arts Teacher, Advisor or Coach of any school organization that benefits from a Booster Organization.

The Office of School Leadership will create a virtual training on Booster Organizations that must be completed annually by all relevant individuals.

Responsible Person(s)

Network Superintendent, School Support Officer, Principal, Assistant Principal, District Athletic Staff, School Athletic Director, Athletic Head Coach, Music/Band Teacher, Visual and/or Performing Arts Teacher, Advisor or Coach of any school organization that benefits from a Booster Organization.

Anticipated Completion Date

Virtual training recorded by June 30, 2025.

Training will be conducted annually and no later than September of each year.

VI. OTHER MATTERS

During the course of this audit, we determined one additional area of risk that supports transparency in District reporting as it relates to the Sports Equity Report referenced in Board Regulation LEC-Booster Clubs. While we did not include this area in our audit program and did not conduct extensive tests, we recommend District management consider further review of this area to mitigate possible risks. We have made a general recommendation in this area.

Financial information in the School Compliance Report of Gender Equity in Sports provided to GaDOE was not verified by the Office of Finance before submission. The financial table within this report should "capture all financial benefits to the male athletic program as well as the female athletic program. This should include actual expenditures, donations of real and personal property, donations of in-kinds services, as well as any other direct or indirect financial benefit." It is also recommended for the GaDOE "that schools retain for their records copies of computations made and estimates used to substantiate the expenditure data, as

well as any accompanying documentation as to how the figures were determined.”

In our review for compliance with Board Regulation, we interviewed the Athletics Department and the Office of Finance. The current practice does not include a review from Finance before submission. The information is obtained from the Athletic Directors at the school sites and submitted to the District’s Athletic Department. The Title IX Coordinator reviews the information within the report and the Athletics Department makes the submission to the State as required by law.

The Office of Finance should review all financial information submitted in any report to external agencies, ensuring both accuracy and transparency. Based on our finding, we recommend the following:

Recommendations for Other Matters

To the Office of Academic Excellence and Office of Finance:

1. Establish a review process for the School Compliance Report on Gender Equity in Sports, ensuring that all relevant departments responsible for managing, supporting, or accounting for the information have the opportunity to verify its accuracy.

Management’s Corrective Action

The Principal, School Athletic Director and District Athletic Director will review the annual Gender Equity in Sports Report and ensure all relevant parties have reviewed the information prior to sign-off that the report is following District Policy.

APPENDIX A – Audit Rating Definitions

| Audit Rating | Definition |
|---|--|
| Unsatisfactory High | <p>Design of controls and/or program: Design of controls is ineffective in addressing key risks.</p> <p>Documentation and communication: Non-existent documentation and/or communication of controls/policies/procedures</p> <p>Operations/implementation: Controls are not in operation or have not yet been implemented.</p> <p>Compliance: Significant breaches of legislative requirements and/or departmental policies and guidelines</p> <p>Risk management: Risks are not being managed.</p> <p>Academics: Neither Staffing patterns nor curriculum/materials are sufficient to implement with fidelity</p> |
| Needs Improvement Medium | <p>Design of controls and/or program: Design of controls only partially addresses key risks.</p> <p>Documentation and communication: Documentation and/or communication of controls/policies/procedures is incomplete, unclear, inconsistent, or outdated.</p> <p>Operations/implementation: Controls are not operating consistently and/or effectively or have not been implemented in full.</p> <p>Compliance: Breaches Federal, State, or local policies and guidelines have occurred</p> <p>Risk management: Risks are not effectively managed which could result in failure to ensure school objectives are met.</p> <p>Academics: Either staffing patterns or curriculum/materials are insufficient to implement with fidelity</p> |
| Satisfactory Low | <p>Design of controls and/or program: Design of controls is largely adequate and effective in addressing key risks.</p> <p>Documentation and communication: Controls/policies/procedures have been formally documented and are up to date but are not proactively communicated to relevant stakeholders.</p> <p>Operations/implementation: Controls are largely operating in a satisfactory manner and are providing some level of assurance.</p> <p>Compliance: No known breaches of legislative requirements and/or departmental policies and guidelines have occurred</p> <p>Risk management: Risks are largely effectively managed.</p> <p>Academics: Both staffing patterns and curriculum/materials are available to implement with fidelity</p> |