

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
INTERNAL AUDITING DEPARTMENT**

**REVIEW OF  
BROWNSVILLE ARTS AND SCIENCES ACADEMY  
PARENT TEACHER ASSOCIATION**

**PROJECT #2002-04**

**Accepted By Audit Planning and Review Committee:**

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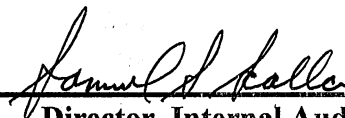
**August 28, 2001**

**Field Work Conducted By:**



**Auditor**

**Report Issued By:**



**Director, Internal Auditing**

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
BROWNSVILLE ARTS AND SCIENCES ACADEMY  
PARENT TEACHERS ASSOCIATION**

**REVIEW REPORT**

**Background**

PTA organizations are not part of the School District of Escambia County, but are separate and distinct entities. As such, the District exercises no direct authority over them. A review or audit of these organizations would be conducted with the consent of the governing board of the school PTA and with the knowledge and support of the Escambia County Council of PTAs (ECCPTA).

**Scope and Authority**

We have conducted a limited scope review of the Brownsville Arts and Sciences Academy PTA financial records. The Superintendent's Office requested an examination of the school's PTA financial records after being contacted by the Escambia County Sheriff's Office (ECSO). The ECSO was conducting a fraud investigation of an individual who was also the president of and a signatory on the account of the Brownsville Arts and Sciences Academy's PTA. Our work, authorized by the Superintendent and approved by the Chairman of the Audit Planning and Review Committee, was performed with the full knowledge and consent of the principal of Brownsville Arts and Sciences Academy and covered the period from July 7, 1999 through December 31, 2000. The review was also conducted with the knowledge and cooperation of the Escambia County Council of PTAs (ECCPTA).

**Objectives**

The objectives of our review were to determine 1) whether the financial activities of the Brownsville Arts and Sciences Academy PTA were properly recorded and accounted for and 2) whether funds were misappropriated.

**Observations**

The scope of our work was limited due to the lack of adequate accounting records maintained. Based on our review of the check register and bank statements, the PTA issued 22 checks and one money order totaling \$4,572.46 and recorded deposits totaling \$4,334.50 for the period of July 1999 through December 2000. Of the 23 disbursements, only 8 had a receipt or invoice to support the payment. There were no books of entry (ledgers). No receipts or other supporting documentation were provided to verify the source or make up of bank deposits. Accordingly, we were unable to independently verify the accuracy of much of the information provided for our review.

Three of the checks were issued directly to and endorsed by an officer of the Brownsville PTA totaling \$2,192.10 (one was issued to "Cash"). One of the checks (\$800.00) was subsequently returned for insufficient funds. There was no documentation provided to determine whether these checks were issued for a legitimate business purpose of the PTA. In addition, we noted one deposit made into the PTA account for \$921.00 that represented a personal check from the club officer referred to previously that subsequently was returned for insufficient funds. The check was never made good and consequently the funds were never deposited.

### **Conclusions**

The lack of appropriate accounting records and supporting documentation precludes our evaluation of the propriety of expenditures or accountability for the funds of this organization. As a result, we are unable to determine the extent of misappropriation of funds through our limited procedures. However, the lack of procedural controls and documentation related to these funds and our observations lead us to the conclusion that funds may indeed have been misappropriated.

### **Recommendations**

Based on the results of our review, we recommend that the Brownsville Arts and Sciences Academy PTA seek legal counsel or contact law enforcement. In addition, we recommend that the Brownsville Arts and Sciences Academy PTA organization establish procedures for minimum accounting records including accounting ledgers, receipts or invoices to support expenditures, and adequate documentation to support funds deposited into the account. Duties of the officers should be segregated. Someone without signatory authority over the account should perform bank reconciliations. We also recommend that the ECCPTA establish minimum monitoring standards for the various schools' PTA organizations in Escambia County including a review of treasurer's reports, minutes of meetings, and a list of officers. In addition, please see specific recommendations in our report on the operations of Booster Clubs in Escambia County issued to the Board and Superintendent dated August 28, 2001.

### **Acknowledgements**

We wish to acknowledge the full and complete cooperation of the President of the Escambia County Council of PTAs. We have met with the current president of ECCPTA to discuss corrective actions that can be implemented at the district level that will insure timely detection of such activity through aggressive monitoring of each school's PTA. In addition, we met with the incoming president and treasurer of Brownsville Arts and Sciences Academy PTA and the Principal of Brownsville Arts and Sciences Academy to discuss similar solutions. Both the school and PTA officers appear to be making every effort to establish controls that will prevent these problems from occurring in the future.