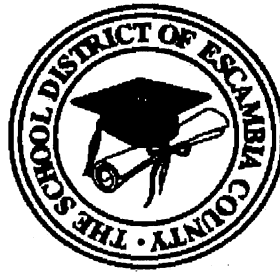


PROJECT # 2002-15

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



REVIEW OF

**ESCAMBIA HIGH SCHOOL
CHORUS BOOSTER CLUB**

REPORT ISSUED: MAY 21, 2002

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

**AUDIT OF
ESCAMBIA HIGH SCHOOL
CHORUS BOOSTER CLUB**

PROJECT # 2002-15

Accepted By Audit Planning and Review Committee:

May 20, 2002

Published:

May 21, 2002

Field Work Conducted By:



Auditor

Report Issued By:



Director, Internal Auditing

**SCHOOL DISTRICT OF ESCAMBIA COUNTY
ESCAMBIA HIGH SCHOOL
CHORUS BOOSTERS**

AUDIT REPORT

Background

Booster clubs 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. However, these organizations operate in the name of our schools, use school facilities and resources, operate for the benefit of our students and solicit contributions from the general public in the name of our schools. For these reasons, the District has a fiduciary responsibility to the public and the students we serve to ensure sound financial management of these organizations through monitoring and periodic examinations of financial activities.

Scope and Objectives

We have conducted an audit of the financial statements of the Escambia High School Chorus Booster Club. Our audit covered the period from July 1, 1998 through October 31, 2001. We conducted our audit in accordance with the standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors. Our work was performed at the request of the principal of Escambia High School upon the appointment of the new chorus director and is authorized through the Charter for our department. The scope of our work was limited due to a lack of accounting records.

The objective of our audit was to issue an opinion on the financial records of the club. In addition, our audit included an assessment of the internal controls governing the operations of the booster club and an assessment of the club's compliance with applicable statutes, State Board Rules, Board Policies and its bylaws.

Conclusions

Based on conversations with the former treasurer (an employee of Escambia High School) and school personnel, the Escambia High School Chorus Booster Club no longer exists. The only other officer of the club we contacted was the former president (the former chorus director at Escambia High School) who was contacted only by e-mail. As mentioned previously, the scope of our audit was limited due to a lack of adequate accounting records. Records available were limited to copies of partial bank statements for the booster's savings and checking accounts from July 1998 through August 2000. After our initial fieldwork, we obtained complete copies of the bank statements from the credit union where the club's funds were maintained for the period November 1998 through October 2000. No invoices were provided by the treasurer to substantiate any of the expenditures or cash withdrawals totaling \$35,719.02 for the period covered by our audit. Minutes of meetings provided to us were not signed, did not reflect who attended the meetings, the time and location of the meeting, and were not detailed enough to determine the discussions/approvals that occurred during those meetings. Although club bylaws we reviewed stated that all checks must be signed by the president and treasurer, some of the checks we examined were only signed by the treasurer. Dual controls over collections were not evident and there was no evidence that bank reconciliations were performed.

While there were some internal controls described in the club's bylaws, it appears that those procedures were generally not followed.

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. In addition, we are unable to issue an opinion on the financial statements of the Escambia High School Chorus Booster Club as none were provided. The lack of procedural controls and documentation related to these funds and our observations are cause for concern.

The Charter for our department requires that if, during the course of our work, evidence of apparent violations of law or instances of malfeasance or misfeasance by an employee is detected, we shall consult with the Superintendent and counsel for the Board. If the activity is deemed to be criminal in nature, the investigation shall be turned over to local law enforcement based on recommendations of the School Board Counsel. We met with counsel for the Board and the Director of Human Resource Services to discuss this audit and the related but separate review of the Escambia High School Community School Program. Based on advice given, the matter was referred to the Escambia County Sheriff's Department.

For specific recommendations pertaining to booster organizations, see our report on the operations of Booster Clubs in Escambia County issued to the School Board and Superintendent dated August 28, 2001.