

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

**REVIEW OF THE
ESCAMBIA HIGH SCHOOL LADY GATORS TRACK BOOSTER CLUB**

PROJECT # 2002-07

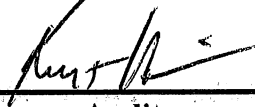
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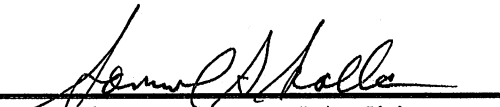
August 28, 2001

Field Work Conducted By:



Auditor

Report Issued By:


Director, Internal Auditing

**THE SCHOOL DISTRICT OF ESCAMBIA COUNTY
ESCAMBIA HIGH SCHOOL
LADY GATORS TRACK BOOSTER CLUB**

REVIEW REPORT

Scope and Authority

We have conducted a review of the financial records of the Escambia High School Lady Gators Track Booster Club for the calendar year ending December 31, 1999. The review was conducted at the request of the school principal, athletic director, and the current officers of the Lady Gators Track Booster Club based on allegations of misappropriation of funds by a previous officer of the club.

Objectives

The objective of this review was to determine whether revenues derived for the benefit of the booster organization were appropriately accounted for and deposited into the account of the Lady Gators Track Booster Club, and to determine if any, and to what extent funds may have been misappropriated.

The scope of our review was limited due to the lack of accounting records. Records requested from the prior booster club president were not provided for the period requested. We were able to obtain copies of cancelled checks issued to the Lady Gators from the Escambia High School Quarterback Club for a period from October 1997 to January 8, 2000, and copies of bank statement activity from the current track club president for the periods March 2-May 6, 1999, December 1999, and January 2000.

Additional information was obtained both written and from interviews with both current and former officers of the club, coaches for the Escambia High School girls track team, current and former officers of the Escambia High School Quarterback Club, the school bookkeeper, athletic director, and principal.

Observations

Based on our review, we learned that corporate bylaws appear to have been written when the booster club was established in or around 1994 by the school's track coach at the time. The copy provided to us was not signed or dated and was limited in content. The current track coach at Escambia High School and officers of the club were not aware that these bylaws existed. In addition, there are no written guidelines to define the club's financial operating procedures.

The president and treasurer of the club during the period covered by this review were related. Based on signature cards for the track checking account, both were authorized signers on the account from March 1998 until February 26, 1999. Related individuals should never serve key positions in the same organization and should never both have authority over the accounts of the organization.

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As mentioned previously, the scope of our work was limited. Using the cancelled checks provided by the Escambia High School Quarterback Club, we attempted to trace nineteen different checks issued to the Lady Gator Track Club to corresponding deposits in the checking account. Based on this review we determined that a total of \$1,970.00 in booster funds were either withdrawn in the form of cash or deposited into accounts that did not belong to the Lady Gator Track Booster Club.

Conclusions

Records relating to the booster club were inadequate and incomplete. Without adequate accounting records or support documentation, we were unable to determine whether all revenues derived for the benefit of the booster organization were appropriately accounted for and deposited into the account of the Lady Gators Track Booster Club. In addition, based on our review, we believe that funds belonging to the club may have been misappropriated.

Recommendations

We recommend the club establish minimum accounting records including acceptable accounting ledgers. They should require receipts or invoices to support expenditures and adequate documentation to support funds deposited into the account. The club should operate under a duly established set of bylaws that identify the separate officers and directors and responsibilities and authority thereof. Minutes of meetings should be recorded, presented to the membership for approval and filed. Treasurer's reports should be presented to the membership with copies of those reports and minutes of the meetings provided to the school principal. The club should make provisions for an annual audit with the report presented to the membership and to the school principal.

We further recommend that the club obtain copies of all bank statements for the period from October 1997 until the account was closed to determine whether additional funds might have been misappropriated. All accounts and charge accounts, where prior officers were authorized to make purchases and or withdrawals, should be closed or updated to prevent unauthorized purchases.

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.

We have met with the principal and athletic director at Escambia High School and the current officers and directors of the Lady Gators Track Booster Club to discuss the findings contained in this report.