

INTERNAL AUDITING

Memorandum



"Making a Positive Difference"

TO: Jim Paul, Superintendent

FROM: David J. Bryant, Interim Director
Internal Auditing

SUBJECT: Pine Forest High School
Girls Basketball Booster Club

DATE: July 5, 2006

We have completed our financial review of the Pine Forest High School Girls Basketball Booster Club, Inc. Our review objectives, findings and recommendations are summarized below.

Purpose and Scope

Our purpose was to review the financial records for the Booster Club in an effort to support the Club's assertion that cash receipts had been absconded during the 2005-2006 basketball season. To support the Club's assertions, we reviewed certain estimates of 2005-2006 cash receipts made by the Club, as well as historical data offered by the Club. In addition, we reviewed various invoices, cancelled checks and other documentation provided by the District sponsor of the Club.

Summary of Review Results

Due to the financial constraints of the Club, we were unable to review as much historical data as we would have liked to support our findings; however, we were able to review historical data sufficient to form a basis for our findings. The Club estimated 2005-2006 revenue for the organization to be \$5,704.74. This revenue consisted of dues, minor fundraising, sponsorships and concessions. A review of the comparable revenue indicated \$6,526.00 was collected in the 2003-2004 season and \$4,132.94 collected in the 2002-2003 season. Due to Hurricane Ivan and financial constraints, the Club was unable to provide data for the 2004-2005 season.

A review of the actual deposits made during the 2005-2006 indicated only \$685.50 was deposited for the entire season. Although insufficient evidence was available to validate the Club's estimate of 2005-2006 revenues, a review of the historical data strongly supports actual revenues for the season should have ranged from \$4,000 to \$6,000, which is far greater than the actual amount deposited. No evidence was presented indicating the 2005-2006 season would have significantly differed from prior seasons. Consequently, our findings support the Club's assertion.

Recommendations and Suggested Corrective Actions

During our review, we noted financial records were not adequately maintained by any one member of the organization, which inhibited the timeliness and availability of all records. We would recommend procedures be put in place to ensure all records are accounted for and available at all times.

It appears there was not adequate continuous financial oversight over this Club by the sponsor or the Principal, as required by the Outside Support Organizations Handbook. We recommend financial oversight be maintained over all organizations that collect and disburse funds in the name of schools and the District, especially those that operate outside of a school's internal funds.

The sponsor of the Club has relayed the desire of the Club's remaining officers to turn this matter over to law enforcement. As findings would appear to support their initial assertions, we would recommend any action that could result in financial recovery.

Finally, we would recommend the Club review the District's Outside Support Organizations Handbook, which offers valuable guidance for booster clubs. The Club should consider utilizing the school's internal funds for its financial matters. The controls established in the internal funds system help ensure adequate financial oversight and maintenance of financial records.

DJB

cc: Barbara Patterson, Principal – Pine Forest High
Norm Ross, Deputy Superintendent
Pearl Perkins, Basketball Coach & Club Sponsor – Pine Forest High (2 copies)
Audit Committee