

Current audit 9/1/10 – 8/31/12 – finding

The District's inadequate internal controls over Associated Student Body activities puts public funds at risk.

Districts may use Associated Student Body (ASB) funds for optional and non-curricular activities that are cultural, athletic, recreational or social in nature, or to otherwise support the activities and programs of ASBs. The District's ASB collected \$119,344 and \$133,137 in the fiscal years 2011 and 2012, respectively.

Description of Condition

In the past four audits, we noted concerns with the District's internal controls over ASB activities and made recommendations to District management on how to strengthen them, such as following the fundraising requirements in the Washington Association of School Business Officials (WASBO) Manual.

Our current audit noted the following conditions continued despite our prior audit recommendations:

- Purchase orders were created after the purchase date.
- Student council approvals did not occur before events, fundraisers, or expenditures occurred.
- Fundraisers did not include an analysis of expected revenues or list estimated event costs prior to the event.
- The High School and Middle School Students did not sign the Council Minutes.
- The District did not deposit funds on a daily basis.
- The District did not retain supporting documents of events for reconciliation of receipts to deposits.

In addition, the student council is approving private donation funds. The InvestED funds are intended to assist students who wish to be involved in school activities by paying the ASB card fee for a student who cannot afford it or purchasing supplies required for a sport. When student council approves such expenditures, they are exposed to confidential information of the student requesting financial assistance. Per the Accounting Manual for School Districts, "InvestED distributes monies to public and private secondary schools so that school personnel, using their discretion, can identify and immediately respond to individual student needs."

Cause of Condition

Despite our prior audit recommendations District staff in charge of ASB activities has not made it a priority to address these issues.

Effect of Condition

Without adequate monitoring and other internal controls over fundraisers, money and/or inventory can be lost without detection and without the District being able to determine who was responsible. Further, the District lacks adequate documentation to determine the full extent of potential losses.

Recommendation

We recommend the District improve internal controls over ASB activities to ensure compliance with state laws and regulations. These improvements include ensuring:

- Employees are trained and follow the WASBO Manual.
- Staff and students are monitored to ensure they comply with District ASB policies.
- Student council and advisors, as appropriate, approve events, fundraisers and expenditures prior to their occurrence.
- Funds are deposited timely.
- Supporting documentation is retained for all ASB activities.

9/1/08 – 8/31/10 – management letter

Associated Student Body fundraisers

The District had Associated Student Body (ASB) revenues of \$125,611 in fiscal year 2010.

In our last audit, we noted some issues with internal controls for ASB events. The District has taken some steps to strengthen controls, particularly in the area of cash-handling. However, some issues remain. We examined nine events for 2010 for compliance with the District's ASB policies and noted the District did not:

- Have budgeted expenditures for sale of goods
- Do an analysis of expected revenues prior to four activities.
- Reconcile actual income to expenses for three events.
- Perform a profit analysis of actual revenues to expected profits for three events.

We recommend the District monitor its staff and students to ensure compliance with District policies and retain supporting documentation for all ASB activities.

9/1/06 – 8/31/08 – finding

The Columbia School District does not have adequate controls over Associated Student Body fundraisers to ensure all funds were properly received.

Description of Condition

Associated Student Body (ASB) revenue was \$142,280 in fiscal year 2007 and \$119,230 in fiscal year 2008. In our follow-up work on high school ASB fundraising, we reviewed eight fundraisers: two that occurred in fiscal year 2007 and three in fiscal year 2008 and three in 2009. For the fiscal year 2009 fundraisers, the District stated it changed advisors and made improvements.

We noted the following issues with fundraisers in 2007 and 2008:

- There was no documentation to show approval by the ASB council.
- One had documented ASB advisor approval.
- One did not perform an analysis of expected revenues prior to the fundraiser. Of those that did perform an analysis, one did not budget any expenditures for the sale of goods, which appears unreasonable.
- Four did not reconcile total revenue less the value of the merchandise sold with deposits and expected profit following the fundraiser.
- Two did not procure purchase orders for products to be purchased.
- Four did not have adequate documentation to determine both the composition of the cash and checks collected and that an independent person reconciled the receipt to the deposit.
- Four did not deposit funds timely or did not have adequate documentation to determine if deposited timely.
- One gave cash to the vendor sales representative for payment of goods.
- One did not use sign-out sheets to track the products given to students to sell.

We noted the following issues with fundraisers in 2009:

- One had documented ASB advisor approval.
- One budgeted revenue equal to expenditures, which appears unreasonable.
- Two did not reconcile total revenue less the value of the merchandise sold with deposits and expected profit following the fundraiser.
- One did not procure purchase orders for products to be purchased.

Columbia School District No. 400 – history of ASB audit recommendations

- Three did not adequately document the composition of the cash and checks collected or that an independent person reconciled the receipts to the deposit.
- One did not deposit funds timely or did not have adequate documentation to determine if deposited timely.

Cause of Condition

Staff responsible for overseeing ASB fundraisers lack the knowledge and training necessary to ensure ASB funds are accounted for and policies and procedures are being followed.

Effect of Condition

These internal control weaknesses create the potential for District resources to be misappropriated without being detected.

Recommendation

We recommend the District:

- Monitor staff and students to ensure they comply with District ASB policies.
- Provide training to all individuals working on ASB activities.
- Deposit all money intact and in a timely manner.
- Retain supporting documentation for all ASB activities.

[9/1/05 – 8/31/06 – management letter](#)

ASB Cash Receipting

The District took in approximately \$162,500 in Associated Student Body (ASB) receipted revenues for the fiscal year 2006. During our review of ASB cash receipting for the entire month of September 2006 at the high school we identified the following:

- Ten payments totaling \$10,143 were not deposited in a timely manner.

These deposits were made anywhere from one to three weeks after a receipt was written. It was difficult to determine which receipts were related to which deposit slips as there was no clear indication on the ASB Cash Receipt Pegboard which receipts tied to which deposit. Overall it appears all funds were collected that were receipted in with small variances due to difficulty in tying out individual receipts to a specific deposit.

We recommend the District deposit funds timely in accordance with RCW 43.09.240 which requires daily deposits. We further recommend that receipts are matched to specific deposits to ensure safeguarding of public funds.

[9/1/05 – 8/31/06 – exit item](#)

ASB Fundraisers

During our review of Associated Student Body fundraisers, we identified the District could improve controls over ensuring they have received all funds they expect to receive by performing a reconciliation of expected revenues to collect versus actual revenues collected.

We recommend the District perform a reconciliation of expected ASB fundraiser revenues to actual revenues collected to ensure they have received all funds.

9/1/03 – 8/31/05 – management letter

I don't believe I have electronic access to the wording for one this old, but the history matrix in the audit workpapers shows this to be a management letter.