

**Fulton City School District**

**January 09, 2023**

**Corrective Action Plan for Management Letter Items from the 2021-2022 Audit**

**Prior Year Deficiencies Pending Corrective Action:**

**General Finding –**

**Profit and Loss Statements**

During the course of our examination, we noted that profit and loss statements were not prepared for the JH Yearbook Club, HS Orchestra Club, and HS Petal Pals Club.

We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements for each fund-raising activity and that these statements be submitted to the Central Treasurer to be retained for our review at year end.

**District Response:**

The District has updated its Extra-Classroom Activity fund procedural manual and forms to emphasize the importance of preparing profit and loss statements for each activity. The District will hold an annual training event in October of each year and hold additional trainings throughout the year as needed.

**Current Year Deficiency in Internal Control:**

**Fulton High School –**

**Disbursements**

We noted two instances in the Musical Fund where meeting minutes showing student member approval of donations or gifts were not available for our review.

We recommend all payments for donations or gifts be voted on by student members and be documented in the respective clubs meeting minutes.

**District Response:**

The District has updated its Extra-Classroom Activity fund procedural manual and forms to emphasize the importance of properly accepting and recording gifts and donations through meeting minutes. The District will hold an annual training event in October of each year and

hold additional trainings throughout the year as needed to ensure that students and faculty advisors are aware of the proper procedures for gifts and donations.

### **Fulton Junior High School**

#### **General Accounting Controls:**

The District does not have a process in place to ensure that club balances recorded in the accounting system agree with club-maintained ledgers and the total adjusted bank balance. As a result, the accounting system is showing a difference between the reconciled bank balance, and the total club account balances.

#### **District Response:**

Beginning January 2023, the District Treasurer will review all accounts during the monthly bank reconciliation process and ensure that necessary entries are made in the District's accounting software. Central Treasurers will submit activity statements alongside the monthly bank reconciliations to ensure that the District Treasurer can make these entries for the 2022-2023 fiscal year. Additionally, the district is reviewing the possibility of moving accounts into the district's accounting software (still maintained and overseen by the Central Treasurers) so that these entries can be made directly by the Central Treasurers.

#### **Other Item:**

The following item is not considered to be a deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follows:

#### **Inactive Clubs**

As indicated on the statement of cash receipts and disbursements the following clubs were financially inactive during the 2021-22 fiscal year.

#### **G. Ray Bodley High School Fulton Junior High School**

Journalism Club Chorus

Library Club 8 Green

National Honor Society Orchestra

WGRB News

Raider Robotics

#### **Fulton Junior High School**

Chorus

8 Green

Orchestra

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

**District Response:**

The Central Treasurers will recommend activities for closure at least once annually prior to June 30, 2023.