

**Audit of the
William S. Reyes School and
50th Golden Jubilee Funds**

Contents

Executive Summary	i
Introduction	1
Background	1
Objectives, Scope, and Methodology	3
Prior Audit Coverage	3
Findings and Recommendations	4
A. WSR School Fund - Missing Collections and Misused Funds	4
B. Unaccounted for 50 th Golden Jubilee Fund Transactions	11
Appendices	16
A. Schedule of Unsupported Disbursements	16
B. Response of the Education Commissioner	17
C. Status of Recommendations	19

**E
X
E
C
U
T
I
V
E

S
U
M
M
A
R
Y**

Our audit showed that within school years 1994 to 1996, collections for and payments out of the WSR school fund were not fully accounted for. The former principal, who had full control over the WSR school fund, did not maintain sufficient records, did not implement internal controls, and disregarded BOE policies. Computations based on available data showed that about \$17,359 of school funds were either missing, disbursed without supporting documentation, or used for unauthorized or unknown activities. Although \$6,400 of the \$17,359 was repaid, the balance of \$10,959 is still unaccounted for.

Background

Under the Commonwealth Auditing Act, the Office of the Public Auditor (OPA) has a special duty to detect and prevent fraud, waste, and abuse of public funds. To enhance performance of this duty, OPA established a 24-hour telephone Hotline which encourages the public to anonymously report instances of government fraud, theft, waste, and abuse. Information obtained from the Hotline is screened and investigated by OPA.

In January, 1997, OPA received information from the Hotline concerning allegations of waste and abuse of the school fund by the former principal of William S. Reyes Elementary School (WSR). The caller asked that OPA review the records of the WSR school fund to determine the propriety of the expenses, and to check for accountability. OPA was also requested to review the financial records of the WSR 50th Golden Jubilee fund-raising because of complaints from the Parents Teachers Association (PTA). After performing a preliminary investigation, OPA determined that an audit and a more comprehensive investigation of the case should be conducted.

WSR School Fund

The WSR school fund was established mainly to serve as a depository account for fund-raising activities of WSR school organizations. The school fund was maintained in a checking account with Union Bank, and the signatories of the account were the principal and the elected treasurer of the school for the particular school year.

From October, 1994 to April, 1996, the fund was handled by the principal at that time, and the elected treasurers of school year (SY) 1994 to 1995, and SY 1995 to 1996. The elected treasurers in SY 1994 to 1995 and SY 1995 to 1996 were the WSR library aide and the former school nurse, respectively.

A major fund-raising activity of WSR during SY 1994-95 was the Mr. and Ms. Kingfisher fund-raising. Receipts from this fund-raising were deposited to the WSR school fund account with Union Bank. The main objective of the Mr. and Ms. Kingfisher fund-raising was to raise money for (1) electric water coolers installed in 35 rooms in 1994, and (2) the purchase and installation of air-conditioning units.

Deposits to the WSR school fund account with Union Bank included

commissions from Saipan Photo Laboratory, from the soft drink vending machine, collections from other student organizations such as the Halloween Fun Night Club, Glee Club, Student Council, and profit from the school canteen operations. According to the treasurer of the fund in SY 1995 to 1996, the bank account, with a balance of only \$11.00, was left inactive since 1996.

In response to the request of the WSR PTA, PSS contracted with an independent Certified Public Accountant (CPA) to review the records of the WSR school fund during the period it was handled by the former principal from October, 1994 to April 15, 1996. The CPA, in a report dated April 29, 1996, stated that only \$2,000 was paid by the WSR school fund for the electric coolers which had a total cost of \$13,790. The report also stated that seven air-conditioners were purchased for the school at a total cost of \$6,400, and that they were personally paid for by the former principal. In his report, the CPA concluded that disbursements totaling \$13,736 were not supported, and that even after deducting the \$6,400 paid by the former principal, a balance of \$7,336 remains unaccounted for.

WSR 50th Golden Jubilee Fund

The year 1996 marked the 50th year of WSR. In celebration of this occasion, a 50th Golden Jubilee executive planning committee (committee) was established to lead and organize fund-raising activities. The original members of the committee consisted of WSR teachers and staff members who served from August, 1995 until January, 1996. A major fund-raising activity of the committee was the selling of souvenir

items. The committee also generated funds from bake sales, hot lunch sales, car washes, talent shows, and donations.

In a February 12, 1996 memorandum from the former principal to WSR teachers and staff, the 50th Golden Jubilee executive planning committee composed of teachers and staff was abolished and replaced by concerned parents. According to the former principal, this was done to relieve the teachers of the responsibility of planning for the Golden Jubilee, and instead concentrate their efforts in providing instructional guidance to the students. The new committee established financial guidelines for the 50th Golden Jubilee fund-raising, and maintained a checking account with Bank of Saipan (BOS). All receipts were deposited to this account and disbursements were made by checks. The check signatories were the committee president and secretary. The committee treasurer was responsible for collecting and depositing funds, making payments, recording all transactions of the fund, and preparing detailed financial reports which were reviewed and audited by the committee auditor.

The committee was unable to furnish any documentation of the objectives of the 50th Golden Jubilee. However, in an interview with the committee treasurer on February 21, 1997, she stated that the objectives of the 50th Golden Jubilee fund-raising activities were to raise money to (1) fund the 50th Golden Jubilee festivities that were held from May 26 to June 1, 1996, and (2) build a passageway with a roof for the protection of teachers and students from the sun and rain.

Objectives and Scope

The objectives of the audit were to determine whether (1) receipts of the WSR School and 50th Golden Jubilee funds were deposited and accounted for, and (2) disbursements of the funds were in accordance with the objectives of the fund-raising, and if not, then whether such disbursements were authorized by the Commissioner and were made through checks not payable to cash.

To accomplish our objectives, we (1) reviewed the records of the WSR school fund from October 1, 1994 to April 30, 1996 in the custody of the PSS accountant, (2) analyzed the report of the independent CPA dated April 29, 1996, and (3) interviewed PSS and WSR officials. Because the former principal is off-island, we were not able to obtain a statement from her.

We also reviewed the records of the 50th Golden Jubilee fund from August, 1995 to October, 1996 which is maintained by the committee, took a physical inventory of unsold WSR t-shirts and 50th Golden Jubilee souvenir items in the custody of the committee president, and interviewed the committee president and treasurer of the 50th Golden Jubilee.

We performed our audit between January and June 1997 at the PSS central office, WSR campus, and residences/offices of committee officials on Saipan. Additional follow-up procedures were performed in August, 1998 to update the audit.

WSR School Fund - Missing Collections and Misused Funds

Pursuant to Board of Education (BOE) policies, a school principal or his/her

designee must ensure that money collected during fund-raising and other activities is fully accounted for, and is spent for the intended purpose of the fund-raising or for purposes authorized by the Commissioner of Education. The level of accountability for the collections and how they are spent also requires the maintenance of adequate financial records, retention of financial records and supporting documents, and periodic reporting. Our audit showed, however, that within school years 1994 to 1996, collections for and payments out of the WSR school fund were not fully accounted for. The former principal, who had full control over the WSR school fund, did not maintain sufficient records, did not implement internal controls, and disregarded BOE policies. Computations based on available data showed that about \$17,359 of school funds were either missing, disbursed without supporting documentation, or used for unauthorized or unknown activities. Although \$6,400 of the \$17,359 was repaid, the balance of \$10,959 is still unaccounted for.

Unaccounted for WSR 50th Golden Jubilee Fund Transactions

Our review of the WSR 50th Golden Jubilee fund transactions revealed that there were unsupported 50th Golden Jubilee fund disbursements amounting to \$3,582. In addition, t-shirts and other 50th Golden Jubilee souvenir items with a net sales value of \$685 were unaccounted for. Further, \$1,163 in sales of t-shirts and other souvenir items sold on account remains uncollected to date. Records likewise showed that the executive planning committee still owes \$6,497 as of October 1996 to the suppliers of the t-shirts and other souvenir

items procured for the 50th Golden Jubilee celebration.

Conclusions and Recommendations

Aside from ignoring PSS policies on fund-raising, the former principal did not implement proper recording and documentation procedures for money collected and paid from fund-raising and other activities of the school. As a result, money collected and disbursed from the funds was not fully accounted for.

Accordingly, we recommended that the Commissioner of Education (Commissioner) (1) evaluate the above findings and determine the final amount for which the former principal is accountable for, (2) require the former principal and/or the WSR school fund treasurer in SY 1994 to 1995 to reimburse the fund for the amount for which they are determined to be accountable for. If the former custodians refuse to pay back the funds, the matter should be referred to the Attorney General's Office to enforce collection, and (3) enforce the requirement that the school submit quarterly status reports of all funds raised by PTA's and the schools in compliance with BOE Policy 703.8.

We also recommended that (4) the 50th Golden Jubilee executive committee collect the outstanding receivables totaling \$1,163 representing t-shirts and 50th Golden Jubilee souvenir items sold on account, and pay the suppliers of those items the amounts the committee owes.

Education Commissioner's Response

In her letter to OPA dated December 16, 1998 (**Appendix B**), the Commissioner stated that based upon a review of the

findings and recommendations presented by OPA and the independent CPA, the former principal should be held accountable for \$6,731.70 captioned as immediately recoverable funds. Also, if the former principal can justify the additional \$4,227.95 in expenses and provide supporting documentation, then the Commissioner will allow these expenses. She also referred this matter to the PSS legal counsel for immediate action to recover the funds.

By copy of the letter, the WSR acting principal was directed to submit quarterly financial status reports on all funds raised by the school, students, and PTA as required by BOE policy 703.8. In addition, the acting principal was also directed to submit monthly reconciliation statements of the bank balance no later than 15 days after the end of the month together with a monthly financial report.

OPA Comments

Based on the response of the Commissioner dated December 16, 1998, Recommendations 1 and 3 are considered closed while Recommendation 2 is resolved. The additional information or action required to close Recommendation 2 is presented in **Appendix C**.

We did not receive any comments from the president of the WSR 50th Golden Jubilee Executive Planning Committee despite our November 25, 1998 follow-up. Accordingly, Recommendation 4 is considered open. The additional information or action required to close this recommendation is presented in **Appendix C**.

Introduction

Background

Under the Commonwealth Auditing Act, the Office of the Public Auditor (OPA) has a special duty to detect and prevent fraud, waste, and abuse of public funds. To enhance performance of this duty, OPA established a 24-hour telephone Hotline which encourages the public to anonymously report instances of government fraud, theft, waste, and abuse. Information obtained from the Hotline is screened and investigated by OPA.

In January, 1997, OPA received information from the Hotline concerning allegations of waste and abuse of the school fund by the former principal of William S. Reyes Elementary School (WSR). The caller asked that OPA review the records of the WSR school fund to determine the propriety of the expenses, and to check for accountability. OPA was also requested to review the financial records of the WSR 50th Golden Jubilee fund-raising because of complaints from the Parents Teachers Association (PTA). After performing a preliminary investigation, OPA determined that an audit and a more comprehensive investigation of the case should be conducted.

Brief History of WSR

WSR was established in 1946 under the United States Naval Administration pursuant to a directive to establish a public education facility in Micronesia. Upon its establishment, this institution was named Findley School for Native Children, and later named Chalan Kanoa Elementary School. For years it existed as the only public elementary school in the entire Northern Mariana Islands, and claims the honor of having educated and molded the minds and hearts of most leading public figures and business leaders in the CNMI today. It also boasts the singular distinction of having undergone three administrations: the US Naval Administration (1946-1962), the Trust Territory of the Pacific Islands (1962-1978), and the Commonwealth of the Northern Mariana Islands (1978-present).

It was in 1984 that the Chalan Kanoa Elementary School was renamed William S. Reyes Elementary School. The change of name was initiated in March, 1983 by a former WSR principal to honor the memory of the first superintendent of schools, the late William S. Reyes.

WSR School Fund

The WSR school fund was established mainly to serve as a depository account for fund-raising activities of WSR school organizations. The school fund was maintained in a checking account with Union Bank, and the signatories of the account were the principal and the elected treasurer of the school for the particular school year.

From October, 1994 to April, 1996, the fund was handled by the principal at that time, and the elected treasurers of school year (SY) 1994 to 1995, and SY 1995 to

1996. The elected treasurers in SY 1994 to 1995 and SY 1995 to 1996 were the WSR library aide and the former school nurse, respectively.

A major fund-raising activity of WSR during SY 1994-95 was the Mr. and Ms. Kingfisher fund-raising. Receipts from this fund-raising were deposited to the WSR school fund account with Union Bank. The main objective of the Mr. and Ms. Kingfisher fund-raising was to raise money for (1) electric water coolers installed in 35 rooms in 1994, and (2) the purchase and installation of air-conditioning units.

Deposits to the WSR school fund account with Union Bank included commissions from Saipan Photo Laboratory, from the soft drink vending machine, collections from other student organizations such as the Halloween Fun Night Club, Glee Club, Student Council, and profit from the school canteen operations. According to the treasurer of the fund in SY 1995 to 1996, the bank account, with a balance of only \$11.00, was left inactive since 1996.

In response to the request of the WSR PTA, PSS contracted with an independent Certified Public Accountant (CPA) to review the records of the WSR school fund during the period it was handled by the former principal from October, 1994 to April 15, 1996. The CPA, in a report dated April 29, 1996, stated that only \$2,000 was paid by the WSR school fund for the electric coolers which had a total cost of \$13,790. The report also stated that seven air-conditioners were purchased for the school at a total cost of \$6,400, and that they were personally paid for by the former principal. In his report, the CPA concluded that disbursements totaling \$13,736 were not supported, and that even after deducting the \$6,400 paid by the former principal, a balance of \$7,336 remains unaccounted for.

WSR 50th Golden Jubilee Fund

The year 1996 marked the 50th year of WSR. In celebration of this occasion, a 50th Golden Jubilee executive planning committee (committee) was established to lead and organize fund-raising activities. The original members of the committee consisted of WSR teachers and staff members who served from August, 1995 until January, 1996. A major fund-raising activity of the committee was the selling of souvenir items. The committee also generated funds from bake sales, hot lunch sales, car washes, talent shows, and donations.

In a February 12, 1996 memorandum from the former principal to WSR teachers and staff, the 50th Golden Jubilee executive planning committee composed of teachers and staff was abolished and replaced by concerned parents. According to the former principal, this was done to relieve the teachers of the responsibility of planning for the Golden Jubilee, and instead concentrate their efforts in providing instructional guidance to the students. The new committee established financial guidelines for the 50th Golden Jubilee fund-raising, and maintained a checking account with Bank of Saipan (BOS). All receipts were deposited to this account and disbursements were made by checks. The check signatories were the committee president and secretary.

The committee treasurer was responsible for collecting and depositing funds, making payments, recording all transactions of the fund, and preparing detailed financial reports which were reviewed and audited by the committee auditor.

The committee was unable to furnish any documentation of the objectives of the 50th Golden Jubilee. However, in an interview with the committee treasurer on February 21, 1997, she stated that the objectives of the 50th Golden Jubilee fund-raising activities were to raise money to (1) fund the 50th Golden Jubilee festivities that were held from May 26 to June 1, 1996, and (2) build a passageway with a roof for the protection of students and teachers from the sun and rain.

Objectives, Scope, and Methodology

The objectives of the audit were to determine whether (1) receipts of the WSR School and 50th Golden Jubilee funds were deposited and accounted for, and (2) disbursements of the funds were in accordance with the objectives of the fund-raising, and if not, then whether such disbursements were authorized by the Commissioner and were made through checks not payable to cash.

To accomplish our objectives, we (1) reviewed the records of the WSR school fund from October 1, 1994 to April 30, 1996 in the custody of the PSS accountant, (2) analyzed the report of the independent CPA dated April 29, 1996, and (3) interviewed PSS and WSR officials. Because the former principal is off-island, we were not able to obtain a statement from her.

We also reviewed the records of the 50th Golden Jubilee fund from August, 1995 to October, 1996 which is maintained by the committee, took a physical inventory of unsold WSR t-shirts and 50th Golden Jubilee souvenir items in the custody of the committee president, and interviewed the committee president and treasurer of the 50th Golden Jubilee.

We performed our audit between January and June 1997 at the PSS central office, WSR campus, and residences/offices of committee officials on Saipan. Additional follow-up procedures were performed in August, 1998 to update the audit. This performance audit was made, where applicable, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures as were considered necessary under the circumstances.

As part of our audit, we evaluated internal accounting controls used for the fund-raising receipts and disbursements. We found internal control weaknesses in these areas which are discussed in the Findings and Recommendations section of this report.

Prior Audit Coverage

This is an initial audit of the WSR School and the 50th Golden Jubilee funds.

Findings and Recommendations

WSR School Fund - Missing Collections and Misused Funds

There were \$17,359 in missing collections and unsupported disbursements for which the former principal repaid \$6,400, resulting in \$10,959 funds still missing.

Pursuant to Board of Education (BOE) policies, a school principal or his/her designee must ensure that money collected during fund-raising and other activities is fully accounted for, and is spent for the intended purpose of the fund-raising or for purposes authorized by the Commissioner of Education (Commissioner). The level of accountability for the collections and how they are spent also requires the maintenance of adequate financial records, retention of financial records and supporting documents, and periodic reporting. Our audit showed, however, that within school years 1994 to 1996, collections for and payments out of the WSR school fund were not fully accounted for. The former principal, who had full control over the WSR school fund, did not maintain sufficient records, did not implement internal controls, and disregarded BOE policies. Computations based on available data showed that about \$17,359 of school funds were either missing, disbursed without supporting documentation, or used for unauthorized or unknown activities. Although \$6,400 of the \$17,359 was repaid, the balance of \$10,959 is still unaccounted for.

Adopted Policies for Fund-Raising

The Board of Education adopted regulations governing the operations of the Public School System (PSS) pursuant to the Education Act of 1988, 3 CMC §1101 et. seq., and the Administrative Procedures Act, 1 CMC §9101 et. seq. Policy 703 of the PSS policy manual enumerates the adopted policies for fund-raising. Among the important fund-raising policies that the school and PSS management must comply are the following:

- 703.1 Fund-raising for the purpose of this policy shall be defined as any activity or event undertaken for the purpose of obtaining money over and above the actual cost of the activity or event and conducted under the auspices of the Public School System, its staff or teacher associations, employee organizations, and student body councils.
- 703.4 All funds generated by a fund-raising activity shall be used solely for the purposes for which they were approved, except when authorized by the Commissioner. The principal or designee shall provide for a full accounting of the amount of funds collected and an itemized list of expenditures and submit the report to the Commissioner within ninety (90) days. It is the responsibility of the principal to ensure that all obligations incurred by a fund-raising activity are paid in full prior

to the use of any funds for purposes other than the payment of obligations.

- 703.8 The quarterly status reports for the Public School System shall include the status report of all funds raised by the PTA, students, and individual schools. Donations of any kind will also be a part of the report.

If the school has collections other than those that fall under the definition of fund-raising activities, then those collections must be managed by applying the following sections of PSS Policy 1008 - Revenues for the Public School System:

- 1008.1 The CNMI Public School accounting system shall maintain proper segregation and provide accountability for all financial transactions.
- 1008.4 Miscellaneous revenues shall include but not be limited to: GED test payments, library fees, private school charter fees, and any other revenue of a minor and insignificant nature.
- 1008.5 . . . Miscellaneous funds will be spent as directed by the Commissioner of Education within the confines of educational activities.

In summary, it is the responsibility of the principal or his designee to ensure that money collected during fund-raising is fully accounted for, and that the expenses incurred and paid for from the fund are for the purposes and within the objectives of the fund-raising activity. Also, miscellaneous revenues collected by the school must be spent as directed by the Commissioner pursuant to Policy 1008.5. In accounting for the fund, records of collections deposited to the fund such as official receipts and deposit slips, and records of disbursements from the fund such as invoices and checks, should be kept intact. In addition, expenses of the fund should be paid through checks, and no check should be made payable to cash.

Missing WSR School Funds

As provided in the above policies, it is the responsibility of the principal or his designee to account for all fund-raising activities. Our audit showed, however, that \$10,959.65 was missing from the WSR school fund. Specifically, there were missing collections of \$8,834.19 and unsupported disbursements of \$8,525.45; by way of repaying the missing funds, the former principal paid \$6,399.99 from her personal funds, resulting in net unaccounted funds of \$10,959.65. Our findings are discussed in detail in the succeeding paragraphs.

Missing Collections

There were missing collections of \$8,834.19, of which (1) \$5,910.69 were undeposited collections, (2) \$2,000 was a donation from WSR teachers and staff for the Kingfisher grand prize raffle drawing which was allegedly stolen but was not

reported to the proper authorities, (3) \$643.50 was missing ticket sale proceeds of the Mr. and Ms. Kingfisher fund, and (4) \$280 was undeposited exchange checks.

Undeposited Receipts, \$5,910.69

Based on the former treasurer’s ledger and copies of check collections, receipts of the WSR school fund recorded from October 1, 1994 to April 30, 1996 totaled \$22,606.93, but the school fund bank statements showed that only \$16,696.24 was

deposited. Accordingly, there was a deposit shortage of \$5,910.69. A comparison of total collections per fund records and total deposits per bank statements showed that the shortage consisted of undeposited (1) proceeds from the Mr. and Ms. Kingfisher first canvassing of \$4,935, (2) commissions from Saipan Photo Laboratory of \$830, and (3) receipts from various fund-raising activities other than Mr. and Ms. Kingfisher of \$145.69 (See **Table 1**).

Particulars	Amount
Mr. & Ms. Kingfisher 1 st canvassing	\$4,935.00
Commissions from Saipan Photo Lab	830.00
Collections from other fund-raising activities	145.69
Total undeposited receipts	\$5,910.69

Table 1 - Undeposited Receipts

1. Proceeds of \$4,935 from the Mr. and Ms. Kingfisher April 28, 1995 first canvassing were not deposited. The former principal, in her May 18, 1996 memorandum to the former Commissioner stated that the proceeds were not deposited because the former fund treasurer was on annual leave for two weeks, and during that period, the \$4,935 was used for school maintenance expenses.

However, no invoices to support the expenses were submitted. In addition, the former principal violated PSS Policy No. 703.4 which provides that all funds generated by a fund-raising activity must be used solely for the purposes for which they were approved, except when authorized by the Commissioner. Payment for school maintenance expenses was not one of the objectives of the Mr. and Ms. Kingfisher fund-raising, nor was an authorization from the former Commissioner obtained before disbursing the funds for other purposes.

2. The \$830 represented undeposited 1994 (\$430) and 1995 (\$400) commissions from Saipan Photo Laboratory. The former principal stated that \$430 from the 1994 commission was used to pay for maintenance items used in the school canteen and in the renovation of three classrooms. As for the \$400 from the 1995 commission, she stated in her May 18, 1996 memo that it was spent on food and drinks for a Thanksgiving luncheon retreat held at the library for all WSR teachers and staff. This, however, contradicted her statement embodied in the independent CPA’s report wherein she stated that the \$400 was used to pay for food for a construction company that was performing work at the school. The former principal failed to account for these expenses, and invoices were purportedly either not submitted to the former treasurer or were misplaced. The former principal, in her memorandum to the former Commissioner dated April 26, 1996, stated that as principal of the school, she felt she had discretion

Particulars	Amount
Receipts per ledger	
Halloween Fun Night	462.25
School Canteen Profit	431.84
Student Council	27.83
Dance and Glee Club	7.10
Girl Scout	6.36
Sub-total	935.38
Less: Unidentified Deposits	
11/9/94	375.51
1/6/95	104.18
2/9/95	310.00
Sub-total	789.69
Balance - Collections less unidentified deposits	145.69

Table 2 - Net Other Shortage

on how to use the commissions received for the best interests of the school. This statement, however, contradicts the requirement of PSS Policy No. 1008.5 that miscellaneous funds will be spent as directed by the Commissioner within the confines of educational activities. In an interview with the former Commissioner on June 14, 1997, he stated that he did not authorize such disbursements.

3. The \$145.69 represented the net shortage when we compared the former treasurer’s record of collections from the other student activity groups against the unidentified bank deposits. (See **Table 2**). The unidentified bank deposits pertained to deposits recorded in the bank statements, but due to lack of proper description, cannot be specifically matched to the collections recorded in the treasurer’s ledger. Again, it is the responsibility of the former principal or his designee to account for all collections of the WSR school fund.

Teachers and Staff Donation for Mr. and Ms. Kingfisher Raffle Drawing Grand Prize Winner Claimed as Stolen - \$2,000

Included in a petition of parents, teachers, and staff of WSR for the Public School System to relieve the former principal of her duties was a claim that during the Mr. and Ms. Kingfisher activity, \$2,000 was allegedly stolen while in the possession of the school librarian and there was no formal police report of the incident.

Interviews of previous WSR teachers disclosed that the \$2,000 was a donation from the teachers and staff of WSR for the grand prize winner of the Mr. and Ms. Kingfisher raffle drawing. When interviewed, the WSR school fund treasurer of SY 1994 to 1995, who was also the library aide at that time, stated that she did not know about the \$2,000 contribution for the raffle drawing grand prize. We then asked the school librarian, and she stated that she did not remember being in charge of the \$2,000 for the raffle drawing grand prize or receiving any cash contribution from the teachers and staff.

In a telephone conversation with a former WSR teacher in August 1998, we were informed that in a confrontational meeting in 1996, the library aide and the school librarian themselves admitted that they lost the \$2,000 while in their possession. According to the former WSR teacher in an earlier interview in June 1997, they would not have known of the stolen money if they had not requested a financial statement of the Kingfisher fund-raising. The financial statement showed that a check (No. 1298 dated June 9, 1995) was issued to pay for the grand prize of the raffle drawing, and that prompted them to ask about their contribution. The former WSR school nurse in a separate telephone conversation added that it is printed on the raffle

tickets that the grand prize for the Kingfisher raffle drawing was a donation from the teachers and staff of WSR.

Our examination of the treasurer's ledger showed that a total of \$470 in donations from WSR staff was deposited to the bank. We could not determine whether or not the \$470 was part of the donation for the grand prize of the Kingfisher raffle drawing. Other than that, we could not trace any other deposit specifically for the grand prize. In the absence of a \$2,000 deposit to cover the cash prize, the former principal, as fund custodian, should not have authorized the payment of the prize out of the WSR school fund. She should have requested the custodian of the \$2,000 to replace the money. Although funds in the WSR school fund were used for the Mr. and Ms. Kingfisher affair, this constituted an improper payment because there was a separate \$2,000 donation set aside for the grand prize.

Missing Proceeds From Sale of Mr. and Ms. Kingfisher Tickets - \$643.50

Based on the canvassing sheets of the Mr. and Ms. Kingfisher fund-raising, we added the proceeds from the first, second, and third canvassing. Our independent computation showed that total proceeds, after deducting the commissions paid to the parents for selling tickets, were \$18,780.07. However, the treasurer's ledger only showed total receipts of \$18,136.57 as of June 2, 1995, which were \$643.50 less.

Our review of the canvassing sheets and interviews with Mr. and Ms. Kingfisher fund-raising officials indicated that \$463 of the total \$643.50 difference could have been from undeposited sales of tickets submitted by the candidates after the June 2, 1995 final canvassing. Our review of two candidates' canvassing sheets, for instance, showed that \$463 was remitted after the June 2, 1995 canvassing -- \$450 from candidate A on June 8, 1995 and \$13 from candidate B on June 5, 1995. A former chairperson of the 1994-1995 cultural day planning committee stated in an interview on June 17, 1997 that she remembered counting the \$450 collected from candidate A (who incidentally was her niece) and giving the money to the former treasurer. These collections, however, could not be traced to the treasurer's ledger. In an interview in August, 1998, the former treasurer of the WSR school fund in SY 1994 to 1995 denied receiving any money from candidate A.

We were not able to account for the remaining balance of \$180.50 (\$643.50 less \$463).

Shortage From the Exchange Checks Transactions - \$280

It was the Mr. and Ms. Kingfisher Candidate Committee's policy not to include canvassing tickets paid by check. When candidates had check collections, the checks were deposited to the WSR school fund. When the checks cleared the bank, checks of equivalent amounts were then issued to the candidates. The candidates cashed the checks and then turned the cash over to the candidate committee so that the committee could record the equivalent number of tickets as votes for the candidates.

Our comparison of the candidates’ checks deposited into the school fund with the exchange checks issued to the candidates showed that there was a shortage of \$280 (\$1,240 exchange checks less \$960 deposited candidates’ checks).

In her response to the CPA’s report, the former principal explained that the \$250 was included in a \$1,190 deposit on June 1, 1995; however, she did not have the deposit slip or other reliable record as proof. A breakdown of the \$1,190 deposit provided by the PSS accountant revealed that it consisted of the \$720 in proceeds from the second canvassing, \$370 in donations from WSR staff, and a \$100 donation from an individual. The \$250 was not included in the deposit.

As for the \$30, the former principal explained that it was included in the \$115 soft drink machine commissions deposited on July 28, 1995. The former treasurer supported this statement by adding that the \$115 deposit was not entirely from soft drink machine commissions. However, the treasurer’s ledger only showed that the full amount represented soft drink machine commissions. Without additional evidence to corroborate their statements, the former principal and treasurer were accountable for the \$280 shortage.

Misused WSR Fund

Our audit also showed that disbursements of \$8,525.45 (See **APPENDIX A**) from the WSR school fund were not supported by invoices. Of that total, \$7,507.86 was disbursed outside the objectives of the fund-raising activities, of which \$3,081.89 was spent for food and drinks during meetings and \$4,425.97 for school maintenance and operations. A total of \$732 was alleged to have been disbursed for the Mr. and Ms. Kingfisher celebration while \$285.59 was disbursed for unidentified expenses. Of the total \$8,525.45, \$7,763.88 was in checks made payable to cash, of which \$1,772 was endorsed by the former treasurer and \$2,150 was endorsed by the former principal. Without supporting invoices, there was no assurance that funds were used for expenses claimed by the former custodians.

Funds Disbursed Outside Fund-Raising Objectives

Of the total \$8,525.45 (**Appendix A**), \$7,507.86 was disbursed outside the objectives of the fund-raising activities of which \$3,081.89 was spent for food and drinks during meetings and \$4,425.97 for school maintenance and operations. Although the school

Particulars	Amount
Saipan Photo Lab	\$2,091.89
School Canteen	431.84
Soft drink machine commission	273.09
Total	\$2,796.82

Table 3 - Miscellaneous Revenues

received miscellaneous revenues of \$2,796.82 from October 1, 1994 to April 30, 1996 (See **Table 3**), disbursements from these revenues for whatever purposes still needed the approval of the Commissioner pursuant to PSS Policy No. 1008.5. According to the former Commissioner in a meeting on June 14, 1997, he did not authorize the former principal to spend the miscellaneous revenues for such purposes.

From October, 1994 to April, 1996, we noted a total of \$8,163.51 disbursed for food during meetings and for school maintenance, of which \$7,507.86 was unsupported. Even if expenses for food and school maintenance can be paid from miscellaneous revenues, the total disbursements of \$8,163.51 for food and school maintenance exceeded the total collected miscellaneous revenues by \$5,366.69.

Specifically, disbursing the miscellaneous revenue of \$2,796.92 without the Commissioner's approval was a violation of BOE Policy Number 1008.5. To spend the \$5,366.69 was even worse because that meant the former principal used WSR school funds that was restricted for specific purposes. Furthermore, in the absence of supporting invoices, we have no assurance whether the \$7,507.86 was actually used as claimed.

The former principal, in her memorandum to the former Commissioner dated April 26, 1996, stated that the WSR school fund did not restrict the proceeds of the Mr. and Ms. Kingfisher fund-raising specifically for the purpose of paying for the outstanding balance of the 35 electric water coolers and for the purchase of air-conditioners. We believe, however, that the former principal's statement was not correct because the Mr. and Ms. Kingfisher fund-raising and other school organization fund-raising activities have specific objectives. The former principal was responsible for safeguarding the fund and restricting the use of the proceeds for stated purposes.

Also, \$285.59 was disbursed for undetermined purposes because there were no notations on the checks as to what use the disbursements were made. Check Nos. 1268 and 1269 payable to Payless and Ana Larson, respectively, did not have any explanation. Duplicate check No. 1284 for \$120.00 bore a notation that such amount was an exchange check issued to the Drug Free Club. The check was endorsed by the former SY 94-95 treasurer, and according to the former principal in her response to the CPA's report, the check turned in by the Drug Free Club was deposited in May. However, we could only identify \$70.00 candidate checks deposited in May 18, 1995. Other than this, there were no other exchange check deposits in May, 1995. Finally, we could not determine the nature of the payments made through check Nos. 1289 for \$20, 1337 for \$30, and 1346 for \$50.

Again, in the absence of invoices, we have no assurance that money was disbursed for the purposes stated by the former principal.

Checks Made Payable to Cash

Of the total \$8,525.45 in payments, \$7,763.88 was in checks made payable to cash, of which \$1,772 was endorsed by the former treasurer and \$2,150 by the former principal, thereby giving no assurance that the expenses were incurred as claimed by the former custodians. The remaining \$3,841.88 was in checks endorsed by other parties, and in the absence of supporting documents such as invoices, we have no assurance that the checks were payments for the purposes stated by the former

custodians. Proper internal control dictates that no check should be made payable to cash.

Payments Made by the Former Principal - \$6,399.99

The former principal used \$6,399.99 of her own money to pay for seven air-conditioners purchased for the school and installed in classrooms. In her memorandum to the Commissioner of Education dated April 26, 1996, the former principal stated that her main intention in buying the air-conditioners was to show the PTA and WSR staff that she repaid the \$1,500 she borrowed from the school fund, and the \$4,900 undeposited collections from the first canvassing of the Mr. and Ms. Kingfisher fund-raising.

Although the former principal paid \$6,399.99 to the school fund, our analysis of the financial documents of the WSR school fund showed that the former principal is still accountable for the remaining \$10,959.65.

Unaccounted for WSR 50th Golden Jubilee Fund Transactions

We also reviewed the WSR 50th Golden Jubilee Fund records. Our review revealed that there were unsupported 50th Golden Jubilee Fund disbursements amounting to \$3,582. In addition, t-shirts and other 50th Golden Jubilee souvenir items with a net sales value of \$685 were unaccounted for. Further, \$1,163 in sales of t-shirts and other souvenir items sold on account remains uncollected to date. Records likewise showed that the executive planning committee still owes \$6,497 as of October 1996 to the suppliers of the t-shirts and other souvenir items procured for the 50th Golden Jubilee celebration.

Golden Jubilee Fund disbursements totaling \$3,582 were not supported by invoices. These disbursements pertained to expenses of the canteen operations during the period the 50th Golden Jubilee fund-raising was still managed by the teachers and staff of WSR, specifically during the following period of canteen operations :

August 28, 1995 to September 7, 1995	\$ 564.19
September 8, 1995 to October 4, 1995	678.72
October 5, 1995 to February 2, 1996	2,238.63
February 10, 1996	<u>100.00</u>
Total	<u>\$ 3,581.54</u>

In an August 21, 1998 inquiry, the former treasurer/WSR school nurse of the 50th Golden Jubilee fund committee stated that receipts/invoices of the expenses of the canteen operation were maintained during the period the old committee handled the canteen operations. However, because of the controversy (with the former principal's handling of funds), she lost track of who is now keeping the records.

Particulars	Beginning inventory	Inventory on (7/1/96)	Difference	Dollar Value
Adult (\$15)	800	751	49	\$ 735
Youth (\$10)	200	163	37	370
Total			86	\$1,105

Table 4 - Unaccounted for T-Shirt Sales

Our audit reflects that 86 pieces of 50th Golden Jubilee t-shirts with a sales value of \$1,105 (See **Table 4**) were unaccounted for. The 86 shirts represented the difference in the July 1, 1996 physical count conducted by the committee president compared to the total t-shirts purchased. The committee president in an interview of March 26,

1997 said that custody of the t-shirts and responsibility for the sales were originally assigned to the former WSR school nurse/treasurer. When the school nurse left PSS, the committee president took custody of the t-shirts; however, no records were turned over to her for the sale of the t-shirts. On July 1, 1996, she took a physical count of the t-shirts which revealed that there were 751 adult and 163 youth t-shirts on hand. Since 800 adult and 200 youth t-shirts had been purchased, that meant 49 adult and 37 youth t-shirts with a sales value of \$1,105 could have been sold.

We contacted the previous custodian of the t-shirts and inquired whether she had sold any t-shirts while they were in her custody. According to the previous custodian, she maintained a record of all transactions of the t-shirts, including t-shirts sold on account and those given as complimentary gifts to dignitaries. She added that any collections received were recorded and the record was turned over to the committee president during a final meeting of the 50th Golden Jubilee committee.

Particulars (Selling Price)	OPA's Count	Per Record	Difference	Dollar Value
Adult T-shirts (\$15)	154	157	3	\$ 45
Balloons (\$1)	453	496	43	43
Caps (\$6)	512	521	9	54
Key Tags (\$1)	995	996	1	1
School Kits (\$2.50)	986	988	2	5
Pens (\$1)	973	986	13	13
Total				\$ 161

Table 5 - Discrepancy-OPA Count versus Jubilee Records

On March 26, 1997, OPA conducted a physical count of the t-shirts and other souvenir items in the custody of the committee president. Our physical count disclosed differences between our count and the records of the 50th Golden Jubilee as to adult (M) t-shirts, balloons, caps, key tags, school kits, and pens amounting to \$161 (See **Table 5**).

Date	Amount
June 6, 1996	\$ 137
August 14, 1996	80
October 4, 1996	364
Total	\$ 581

Table 6 - Unidentified Bank Deposits

Review of the records also disclosed unidentified bank deposits as shown in **Table 6**. When we add the unaccounted for items of \$1,105 in **Table 4** and the discrepancy in the OPA count versus the Golden Jubilee records of \$161 in **Table 5**, less the unidentified bank deposits in **Table 6**, there was a net unaccounted for value of \$685.

In addition, \$1,163 worth of t-shirts and other souvenir items sold on account remain uncollected to date. Furthermore, the 50th Golden Jubilee still owes \$6,497 as of

Items	Qty.	Dollar Value
T-shirts		
Adult - Medium (\$15)	154	\$2,310
Large	244	3,660
XL	285	4,275
XXL	35	525
Youth - Medium (\$10)	15	150
Large	81	810
Subtotal	814	11,730
Other Souvenir items		
Bags	991	4,955
Balloons	453	453
Caps	512	3,072
Key tags	995	995
Mugs	541	2,705
School kits	986	2,465
Pens	973	973
Subtotal	5,451	15,618
Overall Total	6,265	\$ 27,348

Table 7 - 50th Golden Jubilee Inventory

October 1996 to the suppliers of the t-shirts and other souvenir items procured for the 50th Golden Jubilee celebration. According to the committee president, the sale of t-shirts and 50th Golden Jubilee souvenir items was stopped in October, 1996 because of a protest lodged by the PTA president. Accordingly, all other transactions of the fund were likewise stopped. The March 26, 1997 inventory by OPA disclosed that a total of 814 t-shirts and 5,451 souvenir items (See **Table 7**) are still on hand and unsold.

In a telephone inquiry in August, 1998, the 50th Golden Jubilee committee president stated that it was decided by the PTA that the sale of the t-shirts and souvenir items will resume in August. We also received information that the t-shirts and souvenir items are now with the president of the WSR PTA. We requested the committee president's comments on the above findings, but up to now, she has not submitted her official response.

PSS Policies Were Ignored By The Former Principal

These conditions occurred because the former principal, who had full control over the WSR school fund pursuant to PSS Policy 703.4, ignored the policies promulgated by PSS, and did not establish internal controls to safeguard the fund. In particular, the following internal control weaknesses were noted:

- Official receipts to support the collections received from the different school activities were not issued.
- Several checks were made payable to cash, and supporting documents for various disbursements were not filed.
- Collections were not *deposited intact*, and were not deposited on the same day or the next banking day.
- WSR did not maintain copies of deposit slips, and had not accounted for the deposits or other disposition of fund collections.
- Bank statements were not reconciled with the recorded balances.
- Entries on the ledger maintained by the former treasurer with regard to the Mr. and Ms. Kingfisher first, second, and third canvassing were not

supported by computations or other details showing how the figures were derived.

As a result, money collected and disbursed from the funds was not accounted for, and the former principal is liable for \$10,959.65 computed as follows:

Particulars	Immediately Recoverable	Recoverable unless Justified	Amount
Undeposited collections from the first canvassing of the Mr. and Ms. Kingfisher fund-raising	\$4,935.00		\$4,935.00
Teachers and staff donation for the Mr. and Ms. Kingfisher grand prize raffle drawing	2,000.00		2,000.00
Undeposited commission from Saipan Photo Lab	830.00		830.00
Collection from other fund-raising activities		\$145.69	145.69
Proceeds from the ticket sale of Mr. and Ms. Kingfisher fund-raising turned in after June 2		643.50	643.50
Shortage from the exchange checks		280.00	280.00
Unsupported disbursements of funds spent outside the objective of the fund raising.	5,366.69	2,141.17	7,507.86
Unidentified expenses		285.59	285.59
Checks payable to cash for Kingfisher expenses		732.00	732.00
Total	13,131.69	4,227.95	17,359.64
Less: Payments made	6,399.99		6,399.99
Balance	\$6,731.70	\$4,227.95	\$10,959.65

In addition, the former principal failed to submit quarterly status reports for all funds raised by the students, pursuant to BOE Policy 703.8.

Conclusion and Recommendations

Aside from ignoring PSS policies on fund-raising, the former principal did not implement proper recording and documentation procedures for money collected and paid from fund-raising and other activities of the school. As a result, money collected and disbursed from the funds was not fully accounted for.

Accordingly, we recommend that the Commissioner (1) evaluate the above findings and determine the final amount for which the former principal is accountable, (2) require the former principal and/or the WSR school fund treasurer in SY 1994 to 1995 to reimburse the fund for the amount for which they are determined to be accountable. If the former custodians refuse to pay back the funds, the matter should be referred to the Attorney General’s Office to enforce collection, and (3) enforce the requirement that the school submit quarterly status reports of all funds raised by PTA’s and the schools in compliance with BOE Policy 703.8.

We also recommend that (4) the 50th Golden Jubilee executive committee collect the outstanding receivables totaling \$1,163 representing t-shirts and 50th Golden Jubilee souvenir items sold on account, and pay the suppliers of those items the amounts the committee still owes.

Subsequent Actions

We are no longer addressing the weaknesses in internal controls that we noted in the WSR School and the 50th Golden Jubilee funds. In an interview with the current WSR principal in July, 1998, she stated that they are not maintaining the account with Union Bank, and that all fund-raising activities of the school are managed by the PTA.

As for the 50th Golden Jubilee fund, the committee that took over from the original committee implemented internal control procedures which our review showed are adequate. Such procedures should, however, be consistently applied and implemented to safeguard the fund, especially with the resumption of the sale of t-shirts and 50th Golden Jubilee souvenir items.

Education Commissioner's Response

In her letter to OPA dated December 16, 1998 (**Appendix B**), the Commissioner stated that based upon a review of the findings and recommendations presented by OPA and the independent CPA, the former principal should be held accountable for \$6,731.70 captioned as immediately recoverable funds. Also if the former principal can justify the additional \$4,227.95 in expenses and provide supporting documentation, then the Commissioner will allow these expenses. The Commissioner also referred this matter to the PSS legal counsel for immediate action to recover the funds.

By copy of the letter, the WSR acting principal was directed to submit quarterly financial status reports on all funds raised by the school, students, and PTA as required by BOE policy 703.8. In addition, the acting principal was also directed to submit monthly reconciliation statements of the bank balance no later than 15 days after the end of the month together with a monthly financial report.

OPA Comments

Based on the response of the Commissioner dated December 16, 1998, we consider Recommendations 1 and 3 closed while Recommendation 2 is resolved. The additional action required to close Recommendation 2 is presented in **Appendix C**.

We did not receive any comments from the president of the WSR 50th Golden Jubilee Executive Planning Committee despite our November 25, 1998 follow-up. Accordingly, we consider Recommendation 4 open. The additional action required to close this recommendation is presented in **Appendix C**.

Appendix A

SCHEDULE OF UNSUPPORTED DISBURSEMENTS

Check No.	Payee	Kingfisher	Food and Drinks	School Maintenance	Unidentified	Remarks
1260	Cash (1)			400.00		Gifts for WSR staff from Bali trip; endorsed by former treasurer
1261	Cash (1)		55.00			Christmas Party
1262	Cash (1)			45.00		Woodcraft
1265	Cash (1)		150.00			Food for staff meeting
1268	Payless				45.59	No details
1269	Ana Larson				20.00	No details
1270	Cash (1)		250.00			Meeting w/Guam Repr.; endorsed by former principal
1279	Cash (1)		100.00			Food for staff meeting; endorsed by former principal
1280	Cash (1)			200.00		Toner; endorsed by former principal
1281	JWS			30.00		Aircon service
1284	Cash (1)				120.00	Exchange check; endorsed by former treasurer
1286	National Office Supply			15.96		Receipt book
1287	Payless		64.89			Food for PTA meeting
1289	Jin Yong Americana				20.00	No details
1290	Cash (1)	132.00		520.00		Trophies, food, gifts
1294	Cash (1)	600.00				Food for Kingfisher; endorsed by former treasurer
1299	Cash (1)		1,000.00			Food for staff appreciation
1301				2.76		A/C service
1304	NAYRE			125.00		Registration fee
1305	Cash (1)			400.00		Maintenance items; endorsed by former principal
1333	Pacific Castle		262.00			Corkage fee
1335	Cash (1)			2,000.00		Former principal borrowed \$1,500 for NAYRE conference and the rest used for maintenance items
1337	Bolis Store				30.00	No details
1339	Cash (1)		1,200.00			Food for PIBBA Conference; endorsed by former principal
1340	Joeten Motors Co.			95.37		Brake pads
1341	Cash (1)			40.05		Roofing cement for school
1342	Cash (1)			300.00		Maintenance for school
1344	Cash (1)			94.99		Electric drill
1345	Cash (1)			156.84		Maintenance for school
1346	Saipan Woodcraft				50.00	No details
	Total	732.00	3,081.89	4,425.97	285.59	
	Grand Total				8,525.45	

(1) Total checks payable to cash is \$7,763.88 of which \$2,150 is endorsed by the former principal, \$1,772 is endorsed by the former treasurer, and \$3,841.88 is endorsed by other parties.



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
STATE BOARD OF EDUCATION
PUBLIC SCHOOL SYSTEM
P.O. BOX 1370 CK
SAIPAN, MP 96950



CHAIRPERSON
MARIA LEE C. TAITANO

VICE-CHAIRMAN
THOMAS B. PANGELINAN

MEMBERS
FRANCES H. DIAZ
ESTHER S. FLESHING
ANTHONY PELLEGRINO

PUBLIC SCH. TEACHER REP.
DAVID BORJA

NON-PUBLIC SCH. TEACHER REP.
REV. JOHN A. KINSELLA

STUDENT REP.
MERCED A. ADA

Leo L. LaMotte
Public Auditor
Office of the Public Auditor
P.O. Box 1399
Saipan, MP 96950

December 16, 1998

Commissioner of Education
Rui Hoang Tron, Ed.D.



Dear Mr. LaMotte:

The purpose of this letter is to provide my response to your draft audit report on the WSR Golden Jubilee Fund 1994-1996. It is my determination, based upon a review of the findings and recommendations presented by both the Public Auditor and an independent CPA, that the former principal of WSR should be held accountable for the \$6,731.70 identified on page 15 of the OPA audit report and captioned as immediately recoverable funds. If the former principal can justify the \$4,227.95 also identified on page 15 and support these expenses with documentation, then I will allow these expenses.

The PSS Legal Counsel, by copy of this letter, will take immediate action to recover these funds.

The acting principal of WSR is, by copy of this letter, directed to provide my office with a quarterly financial status report on all funds raised by the school, students and PTA as required by BOE Policy 703.8.

This report highlights the need for improved fund accounting practices at the school level. Accordingly, we shall require monthly account balances for all school-based accounts that reconcile in total with the bank account balance. This monthly reconciliation shall be submitted directly to my office no later than 15 days after the end of the month (i.e. for the month ending December 31, 1998 - this reconciled report is due in my office no later than by January 15, 1999). Lastly, WSR shall submit a simply double entry monthly financial report form along with a copy of their reconciled monthly bank account statement.

Board of Education
Telephone: (670) 664-3711/3727
Fax : (670) 664-3717/3711

website: <http://www.saipan.com/gov/branches/pss/index.htm>

Commissioner of Education
Telephone: (670) 664-3770
Fax : (670) 664-3798

Leo L. LaMotte
December 16, 1998
P.-2

We will provide an orientation and training on how to maintain these accounts if WSR requests this assistance. Another option we will offer, is depositing the funds into a special WSR account with all the student/school activity subaccounts maintained by our central office accounting staff.

Thank you.


Rita Hocog Inos, Ed. D
Commissioner of Education

xc: BOE
Acting Principal, WSR
PSS Legal Counsel

APPENDIX C

STATUS OF RECOMMENDATIONS

Recommendations	Agency to Act	Status	Agency Response/Additional Information or Action Required
<p>1. The Commissioner evaluate the above findings and determine the final amount for which the former principal is accountable.</p>	<p>PSS</p>	<p>Closed</p>	<p>In her letter to OPA dated December 16, 1998 (Appendix B), the Commissioner stated that based upon a review of the findings and recommendations presented by OPA and the independent CPA, the former principal should be held accountable for \$6,731.70 captioned as immediately recoverable funds. Also, if the former principal can justify the additional \$4,227.95 in expenses and provide supporting documentation, then the Commissioner will allow these expenses.</p>
<p>2. The Commissioner require the former principal and/or the WSR school fund treasurer in SY 1994 to 1995 to reimburse the fund for the amount for which they are determined to be accountable. If the former custodians refuse to pay back the funds, the matter should be referred to the Attorney General's Office for enforcement of collection.</p>	<p>PSS</p>	<p>Resolved</p>	<p>The Commissioner in her letter to OPA stated that the PSS legal counsel will take immediate action to recover the funds.</p> <p>Additional Action Required</p> <p>The Commissioner should provide OPA a copy of the collection letters and the responses of the former custodians. Once the amount is collected, a copy of the official receipt evidencing the collection should be provided to OPA.</p>
<p>3. The Commissioner enforce the requirement that the school submit quarterly status reports of all funds raised by the PTA and the schools, in compliance with the BOE Policy 703.8.</p>	<p>PSS</p>	<p>Closed</p>	<p>The Commissioner, by furnishing the WSR acting principal a copy of her letter to OPA, directed WSR to submit quarterly financial status reports of all funds raised by the PTA, students, and the school.</p>
<p>3. The 50th Golden Jubilee executive committee collect the outstanding receivables of \$1,163, representing t-shirts and 50th Golden Jubilee souvenir items sold on account, and pay the suppliers of these items for the amounts the committee still owes.</p>	<p>WSR 50th Golden Jubilee Executive Committee</p>	<p>Open</p>	<p>The president should provide copies of the (1) official receipts representing collections from the outstanding receivables and (2) checks representing payment to the suppliers of the t-shirts and WSR souvenir items.</p>