

BEAUREGARD PARISH SCHOOL SYSTEM



INVESTIGATIVE AUDIT
ISSUED NOVEMBER 15, 2013

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 15, 2013

**SUPERINTENDENT TIMOTHY COOLEY
AND MEMBERS OF THE
BEAUREGARD PARISH SCHOOL BOARD**
DeRidder, Louisiana

We have audited certain transactions of the Beauregard Parish School System. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of allegations we received.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 36th Judicial District of Louisiana, the United States Attorney for the Western District of Louisiana, and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

BPSS 2013

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BACKGROUND AND METHODOLOGY

The Beauregard Parish School System (BPSS) is operated by the Beauregard Parish School Board, pursuant to Art.VIII, § 9(A) of the Louisiana Constitution of 1974 and La. R.S. 17:51, to provide public education for the children in Beauregard Parish. BPSS enrolls over 6,000 students from pre-kindergarten to 12th grade. The Beauregard Parish School Board has 10 members, all of whom are elected to serve four-year terms.

The Louisiana Legislative Auditor (LLA) received information alleging school activity funds were taken for personal use by East Beauregard High School's former bookkeeper. La. R.S. 17:414.3 provides that each principal of every public elementary and secondary school shall maintain a school fund for the management of any money which accrues to benefit the school. Student clubs, organizations, and athletic teams generate funds through fundraisers, dues, or admission charges and deposit the funds to the school's bank account. The LLA conducted an investigative audit to determine the credibility of this allegation and the amount of any missing funds.

The procedures performed during this audit included:

- (1) interviewing certain BPSS employees;
- (2) interviewing other persons as appropriate;
- (3) examining selected BPSS documents and records;
- (4) gathering documents from external parties; and
- (5) reviewing applicable state laws and regulations.

FINDING AND RECOMMENDATIONS

Former Bookkeeper Took School Activity Funds for Personal Use

Between June 2, 2005 and May 31, 2013, former East Beauregard High School bookkeeper Sharon Bushnell improperly took \$147,648 of school activity funds for personal use. By taking school activity funds for personal use, Ms. Bushnell may have violated state law.¹

Business records for the Beauregard Parish School System (BPSS) show \$147,648 of school activity funds (funds) were collected by Ms. Bushnell between June 2, 2005 and May 31, 2013, that were not deposited into the East Beauregard High School (EBHS) checking account designated for these funds. We identified the \$147,648 of funds by comparing the amount of funds recorded on receipts signed by Ms. Bushnell to the amount of deposits into the EBHS checking account for the period June 2, 2005 to May 31, 2013.

As the bookkeeper at East Beauregard High School, Ms. Bushnell's job duties included collecting funds, entering collection information (dates and amounts) into the electronic accounting system, generating and signing receipts, making deposits of funds, and performing monthly bank reconciliations of the EBHS checking account. According to Ms. Bushnell, after she collected the funds, issued a receipt, and entered the receipts into the accounting system, she took a portion of these funds each month for her personal use. Ms. Bushnell further stated that she hid the missing funds by altering the accounting system records every month before reconciling the EBHS checking account.

Ms. Bushnell said that she used the funds she took from the school to pay medical bills incurred by her spouse and to provide support for members of her household. By taking \$147,648 of EBHS school activity funds, attempting to hide the missing funds, and using the funds for personal purposes, Ms. Bushnell may have violated state law.¹

Recommendations

The Beauregard Parish School System should:

- (1) seek recovery of \$147,648 of school activity funds improperly taken by Ms. Bushnell;
- (2) separate the functions of collecting/recording receipt information and performing bank reconciliations; and
- (3) implement changes to the electronic accounting system preventing the alteration of receipt information.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** provides, in part, that “theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations...”

La. R.S. 14:133 (A) provides that “Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact.”

APPENDIX A

Management's Response



Beauregard Parish School Board

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Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Purpera:

Having received the draft investigative audit report for Beauregard Parish School Board presented October 30, 2013, I would like to first express our agency's appreciation of your office's services. The representatives from your agency were professional, courteous to all, and discreet. The opportunity to have an issue of this magnitude investigated by an outside source, which based its finding on neutrality and factual information, was invaluable to our staff. The hours spent by your staff allowed us to remain focused on our foremost mission of education for the students of our parish.

At this time, we have no further information to provide which might impact the findings contained in the draft report. All information deemed material by Beauregard Parish School Board was reflected in the draft report.

Thank you again for allowing the needs of our students to be met during this difficult time.

Sincerely,

Timothy J. Cooley, M.Ed.
Superintendent
Beauregard Parish School Board

David Vidrine
Board President
Beauregard Parish School Board