



YUKON PUBLIC SCHOOLS

OFFICE OF SUPERINTENDENT

600 MAPLE

YUKON, OKLAHOMA 73099

Dear Yukon Public Schools Supporter,

Our school district has been under the spotlight for alleged transgressions concerning the Yukon Vo-Ag Program. When the situation was brought to our attention, I personally asked for an internal audit to be conducted by an outside consultant so that we could learn where improper actions occurred, and what we can do as a school district to fix the problem.

The audit is now complete, and while we have learned from our mistakes and implemented new and better policies and procedures, a judge recently ruled that we could share this information with the public. You may find a complete version of the audit under the News tab on our district website, www.yukonps.com.

Please know that we have addressed and corrected every single issue in the audit and feel confident in the future of the Vo-Ag Program. Should you have any questions or concerns, please do not hesitate to contact me directly.

Thank you for your continued support.

Bill Denton, Superintendent
Yukon Public Schools

Mark A. Patzkowski
Attorney - Certified Fraud Examiner

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PRIVILEGED AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION

Via E-Mail: bill.denton@yukonps.com

August 23, 2011

William Denton, Superintendent
Yukon Public Schools
600 Maple St
Yukon, OK 73099

Re: Representation into the allegations of employee misconduct, litigation, and program weaknesses

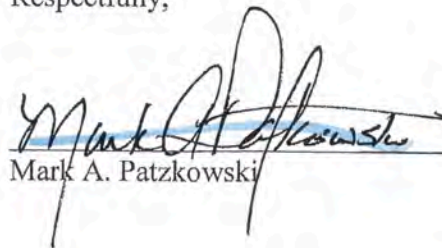
Dear Mr. Denton:

Attached hereto, is the report concerning the activities associated with FFA program instructors and Parent's Club.

Please note that such report concerns personnel issues and potential liability through litigation. Therefore, you and your board should keep said report strictly confidential.

I am sending a copy of this report to Stephanie Mathers, attorney, Center for Education Law, Inc. If you have any questions, please do not hesitate to call me at (405) 577-5700.

Respectfully,


Mark A. Patzkowski

MAP/
encl. Final Report

**CONFIDENTIAL
PERSONNEL, FINANCE, AND LITIGATION REPORT
YUKON PUBLIC SCHOOL DISTRICT FFA PROGRAM**

CONFIDENTIAL AND PRIVILEGED

CONFIDENTIAL
PERSONNEL, FINANCE, AND LITIGATION REPORT
YUKON PUBLIC SCHOOL DISTRICT FFA PROGRAM

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CONFIDENTIAL
PERSONNEL, FINANCE, AND LITIGATION REPORT
YUKON PUBLIC SCHOOL DISTRICT FFA PROGRAM

TO: William Denton, Superintendent
Yukon Public Schools

FROM: Mark A. Patzkowski, JD, CFE - Mark A. Patzkowski, PLLC

DATE: August 23, 2011

RE: Examination of Personnel, Finances, Litigation weaknesses within the Yukon Public School and the FFA program.

I. Background

On approximately April 14, 2011, a meeting was held by the Parents Club (hereinafter referred to as the "Club") of the Yukon Public School District (hereinafter referred to as the "District"), Future Farmers of America program (hereinafter collectively referred to as the "Program"). At this meeting, Mr. William Denton, Superintendent of the District, introduced Mark A. Patzkowski, Attorney at Law and Certified Fraud Examiner, with the law firm of Mark A. Patzkowski, PLLC, as the contact person to review complaints and determine weaknesses within the Program. Assisting in the review of the Program weaknesses, the District also engaged the services of Jerry Putnam, Attorney and Certified Public Accountant.

Initial complaints received by Denton indicated that: (i) Program instructors employed by the District were up-charging the sale of show stock to Program students (students include the students enrolled in the Program and their parents or third parties representing their interests); (ii) Program instructors were engaged in biased partiality between Program students participating in the Program; (iii) Program instructors maintained a private bank account which commingled private and Program resources and expenditures; (iv) stakeholders involved in the Program are circumventing school policy and local, state, and federal laws; (v) Stakeholders and other interested patrons in the Program have conducted themselves in less than cordial and professional conduct; and, (vi) the Club of the assisting the Program lacks sufficient procedures and/or safeguards concerning financial transactions within their charter.

II. Summary

The investigation commenced upon Denton's receipt of complaints from concerned stakeholders that the concerning Program instructors was alleged to be involved in questionable financial transactions. Other allegations indicated that the Program instructors were exploiting weaknesses within the District system. Concerned stakeholders alleged that Program instructors were profiting by their position by purchasing show animals from breeders and re-selling the same animals to Program students at a higher cost basis. **NOTE:** the investigation sought confirmation of the transactions from complaints received from concerned stakeholders. The investigation did not investigate other transactions with other breeders because of the scope and nature of the investigation. Further, the investigation did not confirm the veracity of the statements provided by parties interviewed or seek to confirm checks and/or invoices due to the scope and nature of the investigation. The weaknesses we found in the Program are listed as following:

- **The District has ineffective controls concerning Program instructors acting as dual agents.** (See Sect. IV(A)).
- **The District had ineffective controls concerning Program instructors' outside employment and conflicts of interest.** (See Sect. IV(B)).
- **The District has ineffective controls concerning inventory and maintenance of Program equipment and supplies.** (See Sect IV(C)).
- **The District has ineffective controls concerning the purchase of medicine, feed, and supplies for the Program.** (See Sect IV(D)).
- **The District has ineffective controls concerning the employment of contract laborers, including the hiring of family members.** (See Sect IV(E)).
- **The District has ineffective controls concerning the Program horticulture project through the Program.** (See Sect IV(F)).
- **The District has ineffective controls concerning the manipulation of the procurement of fixtures, equipment, and supplies through the District's procurement process.** (See Sect IV(G)).
- **The District has ineffective controls concerning Club activities and**

accountability to the District for activities, revenues, or expenditures. (See Sect IV(H)).

- **The District has ineffective controls concerning Club compliance with tax laws, rules, and regulations.** (See Sect IV(I)).
- **The District has ineffective controls concerning Club's procurement process.** (See Sect IV(J)).

III. The Objective and Scope of the Representation

A. The Objective. The objective of the Representation was to determine the existence of any basis to the allegations made by concerned stakeholders concerning the administration of the Program and the Club and confirm any allegation, if possible. This report is a privileged report to the District superintendent and the Board of Education and for no other reason. The other objective was to determine what weaknesses exists in the administration of the Program and the Club.

B. The Scope. The scope of the representation was confined to allegations received from concerned stakeholders and District administrators concerning personnel issues, potential litigation, and weaknesses of the Program. The scope of the representation was not intended to determine the guilt or the innocence of any one individual, whether criminal or civil. The scope of the representation did not include the testing of the veracity of any individual and/or documents, and such stands on its own merits. Further, the information obtained, and thus relied upon, may not be in accordance with generally accepted principles within any industry and, because the Board of Education directed that the representation refrain from testing the truthfulness and/or veracity of statements and/or documents, anyone relying on any statement and/or documents assumes the risk thereof and Mark A. Patzkowski and/or Jerry Putnam can not be held responsible upon disclosure to third parties. The scope of this representation was not intended to conduct any financial and/or legal analysis which might fall within any generally accepted practices within any particular field, nonetheless, the scope of the representation, the interviews conducted and reports generated therefrom, and the documents obtained and reviewed should be considered privileged and protected under the attorney-client privilege and attorney

work doctrine. Being that the objective and scope of the representation included interviewing individuals and reviewing documents whose veracity has not been determined, this report attempted to keep the identity of individuals confidential. However, complete confidentiality is not always achievable and the District superintendent and the Board of Education is cautioned that statements by individuals interviewed and documents reviewed and ultimately relied upon draws a risk of liability if such statements are determined to be misleading or untrue. Therefore, it is highly recommended that this report be treated as confidential.

C. Procedures. As part of the objective and scope of the representation, the following actions were taken:

- Interviewed 22 individuals;
- Reviewed and analyzed Canadian County Sheriff's Office report concerning incident on 03/07/2011, consisting of 8 pages. Said report was forwarded to the District Superintendent;
- Reviewed and analyzed Yukon Police Report concerning incident on July 24, 2011, consisting of 2 pages;
- Reviewed and analyzed 34 pages of Club minutes from January 8, 2008 to June 9, 2011;
- Reviewed and analyzed approximately 600 pages of financial records received from concerned stakeholders and Program instructors;
- Reviewed and analyzed multiple e-mails from concerned stakeholders and District administrators; and,
- Reviewed and analyzed multiple pages of other reports, statements, and comments from stakeholders, District administrators, and Club officers;

IV. Findings of Program Weaknesses and Recommendations

A. The District has ineffective controls concerning Program instructors acting as dual agents.

Weakness - Program instructors appear to be both agents of the District *and* Program students in the purchasing of animals, potentially causing liability to the District by

assuming the risk of loss. Also, such arrangement creates a conflict of interest between Program students and the District through the conduct of the Program instructors.

Substantiation - The review and analysis of documents and interviews show that some Program students funded their purchases of animals from bank loans, and bank loan checks were deposited either into the d/b/a bank accounts of the Program instructors or paid directly to the breeders.

Substantiation - The review and analysis of documents and interviews revealed that in 2009, Program students and Program instructors paid a total of \$14,000 to a particular cattle breeder, but the traceable animal's cost basis was \$13,800. The review of documents and interviews confirmed that in some cases, Program students paid more than the cost basis of the animals and in other situations, Program students paid less than the costs basis of the animals. Through review of documents and interviews, it was confirmed that:

- on at least one occasion in 2009, the Program instructor caused a Program student to pay \$1,100 for two steers, an amount less of the cost basis of \$1,800.
- a Program instructor paid early in 2009 through his personal banking account, Yukon Beef Exhibitors, \$3,000. The purpose of this check is unknown and more particularly, it is unknown as to whether this was a Program expenditure or a personal expenditure.
- on one occasion in 2009, one steer died in the possession of the Program instructor and assumed the risk of loss without transferring ownership to any particular Program student. The cost basis of the steer was 2,900.
- on one occasion in 2009, a Program instructor caused a Program student to pay \$1,500 for a steer when the cost basis was \$1,000.
- on one occasion in 2009, a Program instructor received and deposited into his private bank account a total amount of \$1,750 for two steers purchased from this breeder. The cost basis of these steers, combined, was \$3,900. The Program instructor had another Program student pay the breeder

\$3,500 for these two steers. This same Program student received a steer for this \$3,500 but was unaware that said steer came from another breeder.

Substantiation - The review of documents and interviews revealed that in 2010, Program students paid a total of \$17,350 for six show steers/heifers to a cattle breeder where the traceable animal's cost basis was \$16,200. The review of documents and interviews confirmed that in some cases, Program students paid more than the cost basis of the animals and in other situations, Program students paid less than the costs basis of the animals. Through review of documents and interviews, it was confirmed that:

- on at least one occasion in 2010, a Program instructor caused a Program student to pay \$7,000, an amount in excess of the cost basis of \$2,750.
- on at least one occasion in 2010, the Program instructor caused a Program student to pay \$6,750, an amount in excess of the cost basis of \$6,250.
- the breeder failed to provide proper credit when one steer was returned. Assuming the Program instructor and others associated with these transactions are correct, this particular breeder overcharged the Program by \$1,000.
- it appears from documents reviewed and statements made by Program instructors and other stakeholders, that the amount collected and paid to this breeder totaled \$17,350; however, the total cost basis for 2010 of this particular breeder was \$15,200. NOTE: this does not reflect the breeder claims that the Program instructor took possession of additional animals that have not been paid. This breeder refused our request for a total accounting, including sales receipts, credit receipts, invoices and payments, other than what was sent to certain stakeholders which we have in our possession.
- there is no direct evidence that the Program instructor received any benefit from these transactions because the checks were made directly to the breeder. The Program instructor advised that he was attempting to cover the losses of dead animals and the Program students did not know the true cost basis of the animals.

Recommendation - We make the following recommendations:

- review the Program instructor's employment agreement and make necessary changes to properly reflect the expected duties and restrictions concerning the Program;
- propose a Code of Conduct for each employee to sign;
- through a collaborative undertaking by District administrators, Program instructors, Program students, and other stakeholders, develop new policies and procedures, education and training, and forms concerning purchasing of animals for Program students to ensure the Program instructors are not acting as an agent for the Program students. Utilizing available technology, such as digital photography and video, electronic banking, email, text messages, etc., in the purchasing of animals should be a direct relationship between the breeder and the Program student, with limited facilitation by the Program instructors.
- through a collaborative undertaking by District administrators, Program instructors, Program students, and other stakeholders, develop new policies and procedures, education and training, and forms concerning taking possession of animals and outlining the risk of loss upon possession.

B. The District had ineffective controls concerning Program instructors outside employment and conflicts of interest.

Weakness - The review of documents and interviews revealed that Program instructors maintained private bank accounts which have been commingled with private money and expenditures as well as monies and expenditures intended to fund the Program. These accounts are maintained and operated outside of and independently of the activity accounts maintained and operated by District personnel for the Program.

Substantiation - The review of documents and interviews revealed that as far back as 2008, Program instructors maintained private "doing business as" (d/b/a) bank accounts

where private and Program money and expenditures were commingled. The review of documents and interviews revealed that:

- District administrators appear not to have approved nor condoned the use of these d/b/a/ accounts. However, District administration negligently failed to follow up on the continued practices once notice was received of the existence of such d/b/a accounts and practices.
- Program instructors deposited privately earned monies derived from efforts as show judges, District automobile reimbursement, outside employment, dependent and personal prize money, sale of private animals, etc.
- Program instructors paid personal expense from funds of these accounts. Confirmation of private expenditure as compared to Program expenditures has not been determined other than from statements made from Program instructors, such as automobile lease payments and many cash withdrawals. Program instructors advised they took cash and paid for feed and medicine meant for Program activities, but the Program instructors could not provide any receipts for such expenditure.
- the names of these d/b/a bank accounts, which are similar to government and District name, may have caused stakeholders to misinterpret that these d/b/a account were not part of the District system and control. In at least one account, Program instructors deposited funds that were clearly marked “donations” made by stakeholders where such funds appeared to be for Program projects.
- Program students paid for animals, and allegedly, but not confirmed, Program instructors paid breeders for the purchase of said animals.
- Program students paid for entry fees, feed, medicine, and show preparation, and allegedly, but not confirmed, Program instructor would pay for entry fees, feed, medicine, and show preparation.
- Stakeholders paid for the slaughter of animals, and allegedly, but not confirmed, the Program instructor paid the Program student the proceeds from such slaughter.

Recommendation - Although these bank accounts may have solved some problems (particularly with regard to the purchasing of animals and show activities) the following recommendations are suggested:

- immediately discontinue the use of these d/b/a accounts for Program activities.
- develop new education and training for stakeholders, i.e., Club members, patrons, Program students, and taxpayers, concerning procedures when making donations to the Program.
- develop new policies, procedures, and training and education to Program students on financial responsibility for the maintenance of Program animals, and District policies and procedures concerning the purchase, maintenance, and showing of Program animals.
- develop new policies, procedures, training and education, and agreements concerning outside employment or independent business endeavors closely related to Program instructors primary duties to approve and monitor such employment or business endeavors on a periodic basis.
- develop new policies, procedures, and agreements concerning the monitoring of private d/b/a accounts if such employment and/or business endeavors are approved.
- Program instructors should be required to use the District activity accounting system to transact donations and Program projects.
- develop new written policies and procedures, education and training, and forms concerning the disposition of animals, whether slaughter or sale, where the Program instructors are not acting as agents for the Program Students. Either such disposition of animals are clearly the responsibility of the Program student and all financial transactions must have direct contractual privity with the parties involved or, Program students, instructors, and third parties should transact within the District activity accounting system with sufficient documentation in order to provide a clear audit trail for each transaction.

C. The District has ineffective controls concerning inventory and maintenance of Program equipment and supplies.

Weakness - The review and analysis of documents and interviews revealed that Program instructors personally took or allowed Program students or other stakeholders to take possession of Program equipment and supplies to be maintained outside District property.

Substantiation - The review and analysis of documents and interviews revealed:

- Program equipment and supplies were being used and maintained on private farms when the Program has a multi-million dollar facility.
- Program instructors allowed private stakeholders to take possession of equipment and supplies under a pre-arranged agreement when purchased with donation money. Such is discussed herein below.
- Program instructors did not produce an inventory of equipment and supplies, and therefore, lacked sufficient information to maintain knowledge as to ownership interest of said equipment or supplies.

Recommendation - the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms concerning the purchase and maintenance of all equipment or supplies through the District activity accounting system with sufficient documentation to provide a clear audit trail for each transaction.
- develop new written policies and procedures, education and training, and forms concerning the purchase and maintenance of all equipment or supplies purchased by the Club or other stakeholders to ensure that title and possession is adequately accounted for in the District inventory.

D. The District has ineffective controls concerning the purchase of medicine, feed, supplies for the Program.

Weakness - The review and analysis of documents and interviews revealed that the

District has inadequate written policies and procedures with regard to the purchase (and potential resale) of feed, medication, and veterinary supplies for Program animals.

Substantiation - The review and analysis of documents and interviews revealed that Program students, generally, are responsible for the care and maintenance of their animals. However, there exists some evidence that feed, medicine, and supplies were purchased with funds from the Program instructor's d/b/a accounts, the District's activity accounts, and the Club accounts.

Recommendation - the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms concerning the maintenance of animals, encouraging the Program students to purchase such feed, equipment and supplies directly from vendors. However, if bulk purchases provide an incentive, new policies and procedures, education, and training for the bulk purchases and distribution of feed, medicine, and supplies should be transacted through the District's activity accounting system with sufficient documentation in order to provide a clear audit trail for each transaction.
- through a collaborative undertaking by District administrators, Program instructors, Program students, and other stakeholders, develop new policies and procedures, education and training, and forms concerning Club purchases of feed, medicine, and supplies to restrict the ability of "double dipping" for the same reimbursement by Program instructors.

E. The District has ineffective controls concerning the employment of contract laborers, including the hiring of family members.

Weakness - The review and analysis of documents and interviews revealed that the District lacks effective written controls to address the Program instructor's authorization to hire additional contract labor (including payments to family members) for services rendered in connection with the Program.

Substantiation - The review and analysis of documents and interviews revealed that Program instructors paid third parties to assist with show preparations and professional services such as veterinary services. The review and analysis showed:

- that on at least one occasion, a Program instructor hired a professional for services related to the care and treatment of a Program animal. Such payment could not be substantiated, but said cost appeared to have been reimbursed to the Program instructor through the purchase of a Program animal by the Program student. The Program student was not aware of the additional cost when purchasing the Program animal.
- that Program instructors hired individuals, including but not limited to college students, to assist in the show preparation of Program animals for and on behalf of Program students, and payment was made through the use of the d/b/a accounts. Further, Program students paid Program instructors for these services via the d/b/a accounts.
- not all Program students were provided the same assistance as other Program students.

Recommendations - because of the potential labor liability, including but not limited to Workers' Compensation issues, the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms concerning the use and payment of contract labor to conform with District policies and procedures.
- develop new written policies and procedures, education and training, and forms for the District to authorize the contracting of laborers for the Program, and make receipts and payments through the District's activity accounting system with sufficient documentation in order to provide a clear audit trail for each transaction.

F. The District has ineffective controls concerning the Program horticulture project through the Program.

Weakness - The review and analysis of documents and interviews revealed that the

District lacks effective written controls to account for revenues generated and expenditures paid for the Program's horticulture project operated and managed by an Program instructor/s)

Substantiation - The review and analysis of documents and interviews revealed that Program instructors used the District's activity accounting system. However:

- deposits to the activity account were not well documented and/or properly supported by itemized receipts;
- there are no indications that cash receipts and sales reports were properly reported and supported by a register receipt tape.

Recommendation - the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms for the District to authorize the contracting of laborers for the Program, and make receipts and payments through the District's activity accounting system with sufficient documentation in order to provide a clear audit trail for each transaction.

G. The District has ineffective controls concerning the manipulation of the procurement of fixtures, equipment, and supplies through the District's procurement process.

Weakness - The review and analysis of documents and interviews revealed that the District lacks effective written controls concerning the purchasing of fixtures, equipment, and supplies, thus, prohibiting individual stakeholders associated with the Program from manipulating District, federal, and state laws, rules, and regulations. These weaknesses include, but are not limited to, the lack of effective written controls to prohibit private agreements between Program instructors and individual stakeholders in the procurement of fixtures, equipment and supplies, bypassing the state sales tax requirements, the District's property inventory system, and taking advantage of federal and state tax deductions.

Substantiation - The review and analysis of documents and interviews revealed that on at least one occasion an individual stakeholder made a private agreement with a Program instructor to donate money to the program, where the funds were to be used to purchase fixture, equipment, and supplies. Upon receipt of the equipment, the equipment would be controlled exclusively by the individual stakeholder and not by the Program instructors or the District. Notation of checks showed “donation” on the check.

Recommendation - the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms prohibiting Program instructors from making private agreements concerning established District policies and procedures with regards to the procurement of fixtures, equipment, and supplies;
- develop new written policies and procedures, education and training, and forms concerning donations as previously addressed herein.

H. The District has ineffective controls concerning Club activities and accountability to the District for activities, revenues, or expenditures.

Weakness - The review and analysis of documents and interviews revealed that:

- substantial support of money and time are generated by the Club for the benefit of the Program.
- The Club has previously been sanctioned by the District to operate as a support to the Program by raising money and collecting revenues outside of the District’s activity accounting system.
- Organizations sanctioned in accordance with District policy can be exempt from some of the statutory controls over the District’s activity accounting system by Oklahoma Statutes and the Oklahoma School Code. However, the Club regularly entered into significant transactions that were not properly documented, formally negotiated, or reduced to writing.

Substantiation - The review and analysis of documents and interviews revealed that:

- contracts, including contracts for labor and other services related to the annual rodeo, including but not limited to, leasing of rodeo stock animals, insurance coverage, rental of round up club facilities, and entertainment, were missing or not properly reported;
- payment to vendors were sometimes paid by cash;
- none or little documentation to support such expenditures were provided for fiduciary accountability or financial accounting purposes;
- Club officials were unable to provide sufficient supporting documentation to properly identify some of the deposits and expenditures made to and from the Club's bank account. Adequate books and records (including itemized receipts) were not maintained;

Recommendation - the following recommendations are suggested:

- develop new written policies and procedures, education and training, and forms requiring the Club to adhere to generally accepted business and accounting practices, including but not limited to, placing contracts out for bid, requiring written contracts, and requiring proper documentation for revenue collection and expenditures;
- develop new written policies and procedures, education and training, and forms requiring District sanctioned clubs to provide an accounting to the District of activities, including but not limited to, financial transactions for a specific period of time;
- in the alternative, disband sanctioned clubs, and all activities and financial transactions be governed by the District's activity accounting system;
- in the alternative, require all sanctioned, or at least major money generating clubs, to formally organize themselves under state and federal law, where state and federal laws set accountability standards to be followed, i.e., creation of a non-profit organization under state law and taxed by federal and state laws under Title 26 U.S.C. §501 et. al.

I. The District has ineffective controls concerning Club compliance with tax laws, rules, and regulations.

Weakness - The review and analysis of documents and interviews revealed that the Club failed to follow state and federal laws, including but not limited to, filing and staying in compliance with appropriate forms for tax reporting purposes.

Substantiation - The review and analysis of documents and interviews revealed that income and expenses reporting requirements were not properly reported to state and federal taxing authorities

Recommendation - the following recommendations are suggested:

- develop new policies and procedures, education and training, and forms to ensure that sanctioned organizations comply with state and federal laws, rules and regulations, including but not limited to, taxing authorities;
- require sanctioned organizations to certify that they have complied with all state and federal laws; and,
- require sanctioned organizations to provide the District with an opinion letter from a professional on compliance with state and federal laws.

J. The District has ineffective controls concerning Club's procurement process.

Weakness - The review and analysis of documents and interviews revealed that the Club's procurement practices have not been formalized and approved by the governing board to include the use of purchase requisition forms and competitive bidding practices. Also, individual expenditure approval limits have not been established by the governing board.

Substantiation - The review and analysis of documents and interviews revealed that:

- no consistent business and accounting practices or procedures were observable;

- the Club's governing board failed to establish and approve any established business and accounting practices or procedures;
- the Club failed to establish "checks and balances" and procedures on revenue collection and expenditures. The Club did have a dual signature requirement; however, the officers of the Club appeared to have circumvented this requirement and have one person sign or forge the signature of the other person. NOTE: no professional examination of the alleged forgeries were conducted and the only substantiation came by interviews of the officers of the Club. However, in review of the Club's minutes, the Treasurer's reports were reviewed and adopted without reservation by the members; and,
- the District has not reviewed or approved any of the business or accounting practices or procedures of the Club's revenue generating and expenditures practices or procedures.

Recommendation - the following recommendations are suggested:

- develop new policies and procedures, education and training, and forms to ensure the Club has adopted and approved by proper resolution by the governing board, the Club's procurement practices; and,
- require the Club's officers to certify that the checks and balances are adopted and practiced. Some organizations require the officers to possess a fiduciary or fidelity bond.