



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT**

Justin P. Wilson
Comptroller of the Treasury

**BANK OF AMERICA PLAZA
414 UNION STREET, SUITE 1100
NASHVILLE, TENNESSEE 37219-1718
PHONE (615) 532-4460
FAX (615) 532-4499**

Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

February 22, 2010

Chairman and Members of the School Board
Clarksville-Montgomery County School System
621 Gracey Avenue
Clarksville, TN 37040

Chairman and Board Members:

We have completed our investigative audit of selected records of Kenwood High School, Clarksville-Montgomery County School System. The audit focused on the period July 1, 2008, through June 30, 2009. The audit was primarily limited to an examination of records related to the wrestling program. However, when warranted, we expanded the scope.

The former wrestling coach conducted one resale activity in which students paid for a *player package* consisting of a sweatshirt, gym bag, and other items. The former coach also conducted two additional fundraisers, a candy sale and a cookie dough sale. Based upon a review of documents and interviews with school personnel, auditors determined the former coach collected the proceeds from these activities but only turned over a portion of the collections to the school bookkeeper.

When a student requested a partial refund from the bookkeeper for the items in his player package that he had not received, school officials initiated an investigation. They determined that several students who had paid for player packages had not received all the promised items. Some students eventually received sweatshirts; however, in the end the school refunded a total of \$1,030 to students for undelivered items. School officials reviewed the wrestling account and determined that collections from the two fundraisers were much less than projected. When questioned by school officials, the former wrestling coach claimed that resale items had been taken from his office and that some students had not turned in their collections. He also told school officials that he had used some of the collections to purchase the sweatshirts for the player packages. School officials interviewed students and sent survey forms to parents to determine the students' participation in the resale activity and fundraisers. The former coach scheduled several meetings with school officials to explain what happened; however, in each instance he failed to show up.

Our investigative audit revealed that collections from the two fundraisers were \$2,031¹ less than expected. An additional \$150 was collected by the former coach for a player package

¹ The two fundraisers were projected to earn a profit of \$1,255; however, they actually lost at least \$776.

but was never turned over to the bookkeeper. Auditors were also unable to locate other property, including a trophy won by the wrestling team and two first aid kits (valued at approximately \$300 each) which, according to school officials, were kept in the former coach's office.

In addition, we discovered that the former coach did not maintain an ongoing inventory of items available for sale. He also failed to prepare and retain adequate collection records. Purchases were made using cash collections. Collections were not promptly turned over to the bookkeeper for deposit, but instead were retained by the former wrestling coach in his office for as many as 36 days.

Although the former wrestling coach initially agreed to an interview with state auditors, he did not show up. Subsequent attempts to contact him were unsuccessful. Due to a lack of adequate documentation, auditors could not independently determine how much revenue was actually collected, how much was spent for school purposes, or how much was unaccounted for.

Uniform policies and procedures for the management of student activity and other internal funds are detailed in the *Internal School Uniform Accounting Policy Manual*. At a minimum, the principal, bookkeeper, and teachers, including coaches, must ensure that for fundraisers, they:

- Maintain an inventory of items purchased for resale
- Document all collections
- Not make purchases out of cash collections
- Promptly turn over all collections to the bookkeeper for deposit
- Maintain adequate documentation of all purchases

Auditors noted that several of these deficiencies had already been addressed by school management. However, the principal should take immediate action to correct any unresolved deficiencies.

If you have any questions concerning the above, please contact me.

Very truly yours,



Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit