



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

John G. Morgan
Comptroller of the Treasury

SUITE 1600
JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0271
PHONE (615) 401-7871
FAX (615) 741-1551

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

August 28, 2006

Mr. Edward A. Hickman, Director of Schools
and Members of the Board of Education
Maury County School System
501 West 8th Street
Columbia, TN 38401

Gentlemen:

We have completed our investigative audit of selected records of the Whitthorne Middle School, Maury County School System. The audit focused on the period July 1, 2005, through February 28, 2006. However, when warranted, we expanded the scope. The audit was limited to an examination of collections related to the band account.

Our investigative audit revealed that for the period July 1, 2005, through February 28, 2006, at least \$182 in band collections related to tryout fees and band shoes could not be traced to receipt in the school's office or deposit into the school's bank account. School officials stated that they met with band students. According to the school officials, students whose collections were unaccounted for stated that they had remitted their money to the band directors. The band directors, Jim Tucker and Darrell Boston, could not explain the apparent shortages. Mr. Boston stated that except for \$14 in cash that he gave to a student as a refund, he turned all collections he received over to Mr. Tucker who was responsible for preparing the collection logs and remitting the money to the office. Records observed by auditors showed that collections from at least three students for band shoes which Mr. Boston stated he gave to Mr. Tucker were apparently not recorded on a collection log and remitted to the office for deposit by Mr. Tucker.

Mr. Tucker stated that in prior years he had used collections to purchase materials for the band instead of remitting the money to the office. Our investigative audit revealed that for the school year 2004-2005, tryout fees of \$88 as well as some collections for band shoes were apparently not remitted to the office. Mr. Tucker said 2004-2005 discrepancies were probably

Mr. Edward A. Hickman, Director of Schools
and Members of the Board of Education
Maury County School System
August 28, 2006
Page 2

due to him holding cash collections and using them to purchase band items. However, he insisted that he had not spent collections after the former principal had informed him he was to remit all collections to the office. Mr. Tucker could offer no explanation for the unaccounted for funds in the 2005-2006 school year.

The *Internal School Uniform Accounting Policy Manual*, page 1-7, states:

Money or property received by a school official, employee, or volunteer, acting in his or her official capacity, becomes public money or property. The money is the property of the respective school. Such money must be appropriately managed and safeguarded by the school.

Pages 5-2-3, of the manual state:

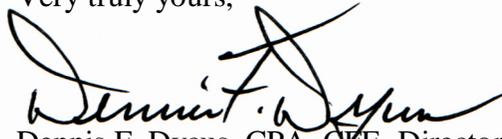
Money within an individual school may be obtained from many sources.... Most often, this money may be handled by one or more persons before it is recorded in the cash receipts journal by the designated school employee. The school becomes accountable when money is initially received by employees, officials, or volunteers acting in their official capacity.... Teachers, assistants, volunteers, and support staff who handle money should be made aware of the requirement for maintaining accurate and systematic records of all cash collected.... At the beginning of each school year, the principal should ensure that all individuals responsible for school collections are informed of the required procedures and forms and the consequences for noncompliance with the required procedures.... Teachers/others who collect money should prepare a collection record (prenumbered receipt, collection log, ticket reconciliation, signed recorded count, etc.) for each separate activity. All collections by teachers/others should be remitted to the cashier daily or more frequently, if necessary.

Mr. Edward A. Hickman, Director of Schools
and Members of the Board of Education
Maury County School System
August 28, 2006
Page 3

To document all collections, teachers/others who collect and handle money at the school should record **all** collections on collection records prescribed by the principal. School personnel should then deliver total collections to the bookkeeper. Cash collections **should not** be withheld by school personnel for any reason. In addition, to adequately account for fundraising and/or resale collections, the principal should require that sponsors complete an accurate profit analysis or a comparison of the amount of expected collections to actual collections with an explanation of any difference.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Dennis F. Dycus". The signature is fluid and cursive, with a large initial "D" and "F".

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