



## State of Tennessee

Justin P. Wilson, State Comptroller

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### **Audit Reveals Numerous Bookkeeping Problems at Trezevant High School**

An investigation by the Comptroller's Division of Municipal Audit has revealed numerous bookkeeping problems at Trezevant High School in Memphis, some of which made it easier for a former financial secretary to misappropriate school funds.

An investigative audit released today documents how Cassandra Howard, the school's former financial secretary, was able to siphon off at least \$11,877 for her personal use. The auditors' findings were forwarded to the local district attorney general's office, which led to Howard's indictment on a theft charge earlier this year.

Auditors found evidence that Howard did not record all cash collections into the school's computerized accounting system, instead pocketing some of the money herself. Auditors also learned that in some cases Howard kept funds from checks made payable to the school, then falsified records to conceal what she had done.

The audit also revealed that concessions from some school events could not be properly documented, which means additional money may be missing.

While Howard was responsible for her actions, the audit noted a lack of proper accounting checks and balances which allowed those actions to go undetected for a long period of time.

For example, school administrators left Howard in control of all facets of financial transactions, rather than separating the responsibilities for accepting payments, keeping records of payments, making deposits and reconciling bank statements. This left the school without someone else in a position to double check Howard's work.

The school's principal also failed to require Howard to issue receipts for all transactions and make bank deposits in a timely fashion. Also, teachers at the school failed to keep proper records of money they were turning over to Howard.

And the school failed to maintain adequate records about fundraising activities, which makes it difficult to analyze why some events either lost money or failed to generate the expected amounts of profits.

Also, the principal failed to require teachers and other school employees to keep adequate

records for travel expenses and other expenditures.

The audit noted that Howard's successor as financial secretary also failed to follow required procedures for receipting and depositing school money.

"The number of problems uncovered in this audit indicates that wholesale changes need to be made in the way this school handles its money," said Dennis Dycus, director of the Division of Municipal Audit. "It is simply unacceptable to operate a school with funding intended for public use without sufficient safeguards and accountability."

"Unfortunately, what happened at Trezevant High School is not a unique situation," Comptroller Justin P. Wilson said. "Across the state, we are seeing many local governments and entities that perform government functions that fail to take basic steps to ensure that public dollars are protected from waste, fraud or abuse. Most of these steps would cost little or nothing to implement. I hope this case will be a cautionary tale that will lead other officials who manage public funds to evaluate whether they are taking the necessary steps to protect the public's interest."

To view the audit online, go to:

<http://www.comptroller1.state.tn.us/repository/MA/Investigative/trezevanthighschool.pdf>

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