



**DAVID CROCKETT HIGH SCHOOL
WASHINGTON COUNTY SCHOOL DEPARTMENT**

**Comptroller's Investigative Report
May 21, 2018**

Justin P. Wilson, Comptroller





JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

May 21, 2018

Director of Schools and School Board Members
Washington County Department of Education
405 West College Street
Jonesborough, TN 37659

Ladies and Gentlemen:

The Office of the Comptroller of the Treasury conducted an investigation of pertinent records of the David Crockett High School, and the results are presented herein.

Copies of this report are being forwarded to Governor Bill Haslam, the State Attorney General, the District Attorney General, certain state legislators, and various other interested parties. A copy is available for public inspection in our office and may be viewed at <http://www.comptroller.tn.gov/ia/>.

Sincerely,

A handwritten signature in black ink that reads "Justin P. Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/RAD

INVESTIGATIVE REPORT

DAVID CROCKETT HIGH SCHOOL WASHINGTON COUNTY SCHOOL SYSTEM

We performed an investigation of selected records of David Crockett High School (DCHS) located in Washington County, Tennessee, for the period March 6, 2017, through August 31, 2017. Findings and recommendations, as a result of our investigation, are presented in this report. Also, these findings and recommendations, have been reviewed with the district attorney general for the First Judicial District.



INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1: A cash shortage of at least \$1,020 existed at David Crockett High School as of August 31, 2017



A. The DCHS football team held a fundraiser where they provided 300 season passes for sale for \$30 each. These season passes allowed the purchaser to attend five football games and receive a Pioneer Nation t-shirt. Our review of deposits revealed that the school staff member responsible for the fundraiser could not account for 34 season passes resulting in a cash shortage of at least \$1,020 (34 times \$30). The staff member stated he gave

away approximately 30 season passes to players, students, their families, and school staff.

B. DCHS failed to ensure that the staff member followed adequate procedures regarding the football season pass fundraiser. *The Tennessee Internal School Uniform Accounting Policy Manual* provides that for ongoing resale activities monthly profit analysis reports must be

completed to document collections, expenses, and any losses of money or product. The school must maintain detailed records to support all amounts recorded on these forms. If the profit analysis report indicates a shortage, an explanation must be given for the shortage. For activities that are not perpetual in nature, profit analysis reports may be completed after the conclusion of the activity. In addition, school officials were unable to account for the disbursement of some of the Pioneer Nation t-shirts purchased for the fundraiser.

RECOMMENDATION:

- A. DCHS officials should take steps to recover the \$1,020 cash shortage.
- B. For each resale activity, DCHS should ensure they comply with the provisions established by *The Tennessee Internal School Uniform Accounting Policy Manual*. The account sponsor or other designee should prepare an accurate profit analysis.

FINDING 2: David Crockett High School had deficiencies in baseball concession operations

DCHS failed to ensure that adequate controls over concession operations (collections) were established and followed. As a result, the accuracy of amounts recorded as collected could not be determined. In one instance, over two months lapsed between the date some concession funds were collected during a series of summer baseball games and the date these funds were received by the DCHS bookkeeper. In addition, the school staff member responsible for concessions used personal funds to provide the initial inventory of food and drinks for concessions and then restocked inventory with profits from the sale of concessions. *The Tennessee Internal School Uniform Accounting Policy Manual* provides 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.

RECOMMENDATION:

DCHS should provide adequate oversight over athletic event concession sales and ensure controls over collections as set forth in *The Tennessee Internal School Uniform Accounting Policy Manual* are established and followed. Concession sale proceeds should be deposited intact within three days after the money is collected. When possible, collections should be deposited daily, and a night deposit could be used when necessary to comply with these provisions. Concessions inventory should be purchased through the school's normal purchasing procedures.

INTERNAL CONTROL DEFICIENCY

DCHS officials failed to segregate financial duties adequately or to provide increased oversight when appropriate. The DCHS bookkeeper received collections, issued receipts, maintained the accounting records, and delivered deposits to the bank. Officials should segregate duties to the extent possible using available resources.

**MANAGEMENT'S RESPONSE (PARAPHRASED) – KIMBER HALLIBURTON,
DIRECTOR OF SCHOOLS**

Recently the Washington County Department of Education's new finance director has implemented several new policies to comply with *The Tennessee Internal School Uniform Accounting Policy Manual*. Some of these new policies and procedures are as follows.

- All funds received on behalf of the school will be counted at the end of the day/event by two school employees and documented on a cash count form. Both employees will sign this form verifying the total funds collected.
- All funds will be stored appropriately on school property, if at all possible, so the school bookkeeper can receive the funds and deposit them the next business day, but no longer than three business days.
- All inventory items for concessions purchased must go through the school activity fund account unless an unforeseen emergency situation occurs. If this would occur, the principal and athletic director must be notified and approve a reimbursement request for the items required for the emergency need.
- All relevant duties are to be segregated to the fullest extent possible in each given situation.
- The athletic director is directly responsible for working with the bookkeeper to ensure the above is implemented appropriately with any discrepancies being reported to the director of finance immediately.