

Special Audit of
West Boca Raton High School's
Basketball Account
December 12, 2008

Report 2008-19

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Basketball Account**

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Arthur C. Johnson, Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Lung Chiu, CPA, District Auditor

DATE: December 12, 2008

SUBJECT: Special Audit of West Boca Raton High School's Basketball Account

PURPOSE AND AUTHORITY

In response to the request of Human Resources Customer Relations Department (HR), we have audited the revenue collections and purchases by the West Boca Raton High School Basketball Team for the period July 1, 2007, through April 30, 2008. The primary objectives of the audit were to determine if monies collected were properly accounted for.

SCOPE AND METHODOLOGY

The audit was performed in accordance with *Generally Accepted Government Auditing Standards* by Stephanie Steeves, CIA, and Susan Miller, CIA during May 12 to May 21, 2008 and included:

- Examining the General Ledger.
- Confirming parent payments.
- Examining cancelled checks.
- Reviewing expenditure documentation.
- Interviewing school staff.

Draft findings were sent to the school for review and comments. Management response is included in the Appendix. We appreciate the courtesy and cooperation extended to us by District staff during the audit. The final draft report was presented to the Audit Committee at its December 12, 2008, meeting.

BACKGROUND

In April 2008, HR requested an audit of the West Boca Raton Basketball Team because it was discovered that checks made payable to “cash” were collected by the head basketball coach, and then were given directly to a vendor for purchase of clothing. However, no record was kept for monies collected; and receipts were not issued for monies collected.

CONCLUSIONS

Cash Collections and Expenditures Not Handled by Internal Accounts

The head coach indicated that he coordinated the purchase of team practice clothing, shoes, and sports bags from a local vendor. The package price for each player was to be \$200. Families were to make checks payable to “cash”, and deliver the checks to the assistant coaches. The head coach then sent the checks to the vendor. Examination of three available parents’ cancelled checks showed that the checks were endorsed personally by the vendor, instead of the company’s stamped endorsement. Items purchased by the head coach were delivered to the school and distributed to the players.

Since no records were maintained as to who had paid, on May 14, 2008, we requested the Principal to send a memo to all the involved parents requesting detail payment information for the school’s basketball program during July 1, 2007, and May 14, 2008. As of July 17, 2008, four parents responded that a total of \$900 was paid to the school’s basketball program.

According to the head coach, a total of \$4,060 was due from the students; however, only \$1,500 was collected because some families did not pay. One invoice dated December 15, 2007, for \$1,540 was marked “*paid personal checks & cash*”. There was no record of payment by the school for this invoice. However, one invoice dated February 12, 2008, for \$2,837, was paid through the Internal Accounts. The head coach stated that the funds came from parent fundraising efforts. These two invoices apparently included all the items ordered for the players. No duplicate payments were noted during the audit.

Because most financial records were either missing or not maintained, we were not able to verify whether all monies were accounted for.

As required by *Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 7* and School District’s accounting procedures,

- All funds collected in the name of the school for any purpose must be accounted for in the school’s Internal Accounts.
- All revenue collections should be properly documented and recorded.
- All disbursements should be adequately documented with *Check Requisitions* approved by the Principal and supported by itemized invoices and receipts.

Management Response:

Our understanding is that no money has been misappropriated by the coach, however, to address the issued mandated we will:

- 1. At the beginning of the school year, our Athletic Director will have a “Coaches” meeting. Our school’s bookkeeper will address the coaching staff, go over all the bookkeeping procedures and emphasize the importance of adhering to them in regard to internal accounts, collections and disbursements of funds.*
- 2. We will stress to coaches ad faculty at the preschool faculty meeting all points mentioned in this finding.*

– End of Report –

