

Audit of
Jupiter High School's
Rugby Club

February 13, 2009

Report #2009-03

Audit of
Jupiter High School's
Rugby Club

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

LUNGCHIU, CPA
DISTRICT AUDITOR

ARTHUR C. JOHNSON, Ph.D.
SUPERINTENDENT

OFFICE OF THE DISTRICT AUDITOR
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MEMORANDUM

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

FROM: Lung Chiu, CPA, District Auditor

DATE: February 13, 2009

SUBJECT: Audit of Jupiter High School's Rugby Club

PURPOSE AND AUTHORITY

During the 2006 and 2007 Annual Internal Funds Audits of Jupiter High School, we noted that the school's Rugby Club maintained a separate bank account outside the control of the school. As a result, we expanded the scope of the audit to review deposit and expenditure records related to the Rugby Club for the period July 1, 2006, through January 31, 2008; and the conclusions were to be released separately.

The primary objectives of the audit were to determine:

- If all money collections related to the Rugby Club were properly accounted for.
- If purchases from the school's Internal Funds for the Rugby Club complied with District policies and procedures.
- If related travel activities complied with District policies and procedures.

SCOPE AND METHODOLOGY

The audit was performed in accordance with *Government Auditing Standards*, by Arthur Hamilton and Susan Miller, CIA, during November 19, 2007, through February 21, 2008, and included:

- Reviewing financial information provided by the Rugby Club sponsor.
- Reviewing the General Ledger and collection and disbursement documentation during July 1, 2007, through January 31, 2008.
- Reviewing Field Trip documentation.
- Reviewing related websites.
- Interviewing District and school staff.

On March 24, 2008, audit conclusions were referred to the School Police Department and Employee Relations Department for further investigation. On January 7, 2009, School Police and Employee Relations completed their investigations and recommended necessary disciplinary actions.

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 staff during the audit. The final draft report was presented to the Audit Committee at its February 13, 2009, meeting.

BACKGROUND

Jupiter Rugby is a school club sponsored by a Jupiter High School teacher. However, since Rugby is neither sanctioned nor recognized by the Florida High School Athletic Association (FHSAA), therefore, it is not part of the school's athletic programs.

CONCLUSIONS

1. Imprudent Travel Put Students and the School District At Risk

Three out-of-state trips were taken by both the Boys and Girls Rugby Teams during 2007. Players and chaperones traveled by charter bus to participate in game play and tour at various universities.

No Criminal Background Checks for Chaperones. During the three trips taken in 2007, five students from other Palm Beach County School District high schools and 16 players from non-District schools also traveled with and participated as members of the Jupiter High School's Rugby team. Chaperones for the trips consisted of parents of the players from both Jupiter High School and other non-District schools, and other adult volunteers. Although ***District Bulletin P-11949-CAO/COO/CPIO*** requires criminal background check for all school-based volunteers, none of the nine non-District-employee chaperones went through the clearance check nor registered in the District's Volunteer Registration System.

Trip	# of Players				# of Chaperones		
	Jupiter High School Students	Other District High School Students	Non-District Students	Total # of Players	District Employee	Non-District Employee	Total # of Chaperones
Boys Team Feb 15-17, 2007	22	4	2	28	1	3 *	4
Boys Team Nov 14-19, 2007	29	1	7	37	1	3 *	4
Girls Team Sept 12-17, 2007	20	0	7	27	1	4	5

* One chaperone went both trips with the Boys Team.

Mixing District and non-District students in out-of-state overnight events sponsored by the School District could result in unwarranted liabilities to the School District. Most importantly, having chaperones who had not been cleared in criminal background checks but were allowed to have access to and direct contact with students violated the *Jessica Lunsford Act* and could put students at risk.

Unauthorized Travel. The June 29, 2006, *District Bulletin #P-12102-CAO/REA “FCAT Blackout Period”*, disallowed off-campus activities for school-based personnel during January 26, through March 13, 2007. The annual FCAT (Florida Comprehensive Assessment Test) blackout period is a distraction-free period designated by the District to ensure that students and teachers are focused on test preparation. Students are generally not allowed to compete in contests that take place outside of the classroom during the blackout period.

In February 2007, the Rugby Club Boys Team traveled to South Carolina during the FCAT blackout period to tour Clemson University although the request for the field trip was denied by the Assistant Principal. Nonetheless, 30 students and four adults took the trip. All District students who went on to this trip were given excused or allowed absences for the two days of travel.

The head coach stated that he participated in the trip even after his request for personal leave was denied. He was told that he would not get paid for the days he was absent for attending the trip. However, payroll records indicated that he was paid two days of sick leave for his absence.

Inaccurate Field Trip Itinerary. The September and November 2007 out-of-state fieldtrips for the Rugby Club were pre-approved by the Principal, the Area Superintendent, and the Chief Academic Office. However, the itineraries and participation rosters submitted for approval did not accurately reflect the trip and participants. Only Jupiter High School students were included in the list as participants while other non-Jupiter High School students were not listed in the *Field Trip/Activity Planning Report and Approval Request Forms*.

Recommendation

To protect the best interests of students and the School District,

- All volunteers and chaperones should be cleared by criminal background checks in accordance with *Bulletin #P-11949-CAO/COO/CPIO “Fingerprinting and Background Check Guidelines Revised”* before they participate in the trip.
- The school should enforce the *Bulletin #P-12102-CAO/REA “FCAT Blackout Period”* in order to provide a distraction-free period. This is to help ensure that students and teachers focus on the FCAT.
- Only District approved charter bus companies should be used for transporting students during fieldtrips.
- Fieldtrip documentation should accurately reflect the itinerary and all participants.

Management's Response: *We concur.*

No Criminal Background Checks for Chaperones: *Coach/sponsor assured me that students from other schools were not playing on the team. He submitted a list of students and all were Jupiter High School students. Rugby Club has been denied the right to continue as a Jupiter High School Club.*

Unauthorized Travel. *Request for field trip was denied. A list of the participating team members was not attached to the trip request form. Rugby Club has been denied the right to continue as a Jupiter High School Club.*

Inaccurate Field Trip Itinerary. *Rugby Club has been denied the right to continue as a Jupiter High School Club.*

(Please see page 7.)

2. Revenues and Expenses Not Handled By Internal Accounts

Outside Bank Account. The head coach of the Rugby Club (activity sponsor) maintained a separate bank account during July 25, 2006, through July 17, 2007, for the club activities. However, as advised by the school's bookkeeper that all school funds must be accounted for in the school's Internal Accounts, the Rugby Club's bank account was closed on July 17, 2007. During July 1, 2007, through January 31, 2008, the Rugby Club Internal Account (#4-4260.00) collected \$30,370 and disbursed \$24,694.

According to the head coach of the Rugby Club, its bank account used "Jupiter High School" as part of the account's name and had an exempt status. The account did not have check writing or debit capabilities, and consequently, expenses for the Rugby Club activities were paid through the head coach's personal checking account; and then the head coach would reimburse himself through electronic transfers from the Rugby Club's bank account.

\$12,554 in Questionable Expenses. The review of financial records provided by the head coach revealed that during July 25, 2006, through July 17, 2007, the bank account took in a total deposits of \$26,133.25, disbursed a total withdrawals of \$26,093.25, and had a total bank charges of \$40. However, the head coach stated that he did not always maintain documentation for the Rugby Club's expenses; and only \$13,539.51 in expenses were documented with receipts and invoices. As a result, \$12,553.74 in disbursements for expenses did not have any documentation. Without adequate supporting documentation and proper approval of disbursements, the legitimacy of \$12,553.74 in expenses became questionable.

Continued Non-Compliance with Monies Collection Procedures. Although the Rugby Club's bank account was closed and most financial activities had been processed through the school's Internal Accounts since July 2007, the head coach indicated that T-shirts are still sold at the games and proceeds are used to pay game referees and support personnel. Moreover, there were

no inventory records for the T-shirts. Due to the lack of documentation, we were not able to determine whether all revenues were accounted for, and whether these expenses were legitimate.

Recommendation

As required by *DOE Rules (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's Response: We concur.

Outside Bank Account. Coach/sponsor was directed to completely separate all accounts and to follow all Palm Beach County School Board policies and procedures. Rugby Club has been denied the right to continue as a Jupiter High School Club.

\$12,554 in Questionable Expenses. The bookkeeper continuously met with the sponsor advising him of the importance of accurate records and following procedures for Internal Accounts. Rugby Club has been denied the right to continue as a Jupiter High School Club.

Continued Non-Compliance with Monies Collected Procedures. When it came to our attention that the sponsor was doing unapproved fund-raisers, he was directed to submit PBS2078 to the assistant principal in charge of fund raising activities. Rugby Club has been denied the right to continue as a Jupiter High School Club.

(Please see page 7.)

– End of Report –

Management's Response

03/27/2008 10:23

561-744-7933

PAULA F NESSMITH

PAGE 02/04



Jupiter Community High School

500 N. Military Trail
Jupiter, Florida 33458
(561) 744-7900

Dr. Paula F. Nessmith
Principal

March 27, 2008

Mr. Lung Chiu, District Auditor
The School District of Palm Beach County
3346 Forest Hill Blvd
West Palm Beach, FL 33406

RECEIVED
MAR 27 2008

DISTRICT AUDITOR

Dear Mr. Chiu:

With the exception of one area, I concur with the findings of the audit of the Jupiter High School's Rugby Club.

My remarks regarding each area are attached to this letter. I have also included a copy of the letter I sent to Mr. Simon advising him that I have taken away the right for him to continue the Jupiter High School Rugby Club.

Please contact me if I can be of further assistance.

Sincerely,

Handwritten signature of Paula F. Nessmith in cursive.

Dr. Paula F. Nessmith
Principal



Handwritten initials, possibly "ML", in the bottom right corner.

Management's Response

03/27/2008 10:23 561-744-7933 PAULA F NESSMITH PAGE 03/04

1. Imprudent Travel Put Students and the School District At Risk

No Criminal background Checks for Chaperones

Coach/sponsor assured me that students from other schools were not playing on the team. He submitted a list of students and all were Jupiter High School students. Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

Unauthorized Travel

Request for field trip was denied. A list of the participating team members was not attached to the trip request form. Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

Charter Bus Not On School Authorized List

The bus used by the Rugby Team was Palm Beach Charters, Corp. That company is part of V.I.P. Charters, which is on the approved School Authorized List.

Inaccurate Field Trip Itinerary

Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

Revenues and Expenses Not Handled By Internal Accounts

Outside Bank Account

Coach/Sponsor was directed to completely separate all accounts and to follow all Palm Beach County School Board policies and procedures. Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

\$12, 554 in Questionable Expenses

The bookkeeper continuously met with Mr. Simon advising him of the importance of accurate records and following procedures for internal accounts. Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

Continued Non-Compliance with Monies Collected Procedures

When it came to our attention that Mr. Simon was doing unapproved fund-raisers, he was directed to submit PBSB 2078 to the assistant principal in charge of fund raising activities. Rugby Club has been denied the right to continue as a Jupiter High School Club (see attached letter).

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MAR 27 2008

DISTRICT AUDITOR

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Management's Response

03/27/2008 10:23

561-744-7933

PAULA F NESSMITH

PAGE 04/04



Dr. Paula F. Nessmith
Principal

Jupiter Community High School

500 N. Military Trail
Jupiter, Florida 33458
(561) 744-7900

MEMORANDUM

TO: Sean Simon
FROM: Paula Nessmith
DATE: March 25, 2008
RE: Rugby Club

Due to the non-compliance findings of the audit of the JHS Rugby Club, I am shutting down the JHS Rugby Club effective immediately.

Should these findings prove to be incorrect, we will discuss the possibility of reorganizing the club providing it meets all state and district requirements.

If you have any questions, please see me.

c. Suzy Miller
Marisol Ferrera
Lung Chiu

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MAR 27 2008

DISTRICT AUDITOR