



VIRGINIA BEACH CITY PUBLIC SCHOOLS

CHARTING THE COURSE

MEMORANDUM

TO: Audit Committee of the School Board of the City of Virginia Beach

FROM: Ms. Karen W. Woodson, CIA, CFE ^{KW}
School Board Internal Auditor, Department of Internal Audit

SUBJECT: Follow-up School Activity Funds Audit
Frank W. Cox High School

DATE: February 11, 2026

BACKGROUND

As part of the 2026 Audit Work Plan, the Department of Internal Audit (IA) has performed the Follow-up School Activity Funds Audit for Frank W. Cox High School.

The principal has responsibility for safeguarding, accounting and managing the school activity funds. The school activity funds are accounted for using the cash basis of accounting and are recorded by the bookkeeper in School Funds Online, the division's school-level accounting software. Examples of other discretionary income received by schools are payments made by parents, fundraisers and other miscellaneous sources. Expenditures include school activities such as clubs, fundraisers, etc.; payroll expenditures are not allowed to be paid from these funds. School activity account regulations provide administrative control over the income and disbursement of money for school activities and provide an accurate record of all financial transactions of these activities and organizations.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS

Inquiry and examination of documents and data, interviews and site visits were the methods of reviewing internal controls. IA judgmentally selected transactions to ensure that a variety of vendors and deposits were analyzed throughout the audit period, and as a result, this sample cannot be extrapolated across the entire population. The audit period was July 1, 2025, through December 31, 2025. The audit objectives, methodology, results and conclusions are as follows:

1. Objective: Determine if cash balances were fairly stated.
Methodology:
 - IA traced the prior year's ending balance to this year's beginning balance;

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

- IA reviewed the bank reconciliation, year-end investment statement, as applicable, and the original bank statements during the audit period for unusual transactions;
- IA reviewed all transfers reducing cash and other material transfers for allowability;
- IA reviewed a sample of cash disbursements to determine if the amounts paid matched the invoice/receipt and were coded to the correct account;
- IA reviewed a sample of cash receipts to determine if the amount collected was deposited and coded correctly;
- IA reviewed unpaid invoices;
- IA counted change funds, as applicable;
- IA inspected the contents of the school's safe(s); and
- IA reviewed the general ledger to determine if there were any unusual transactions or accounts with inconsistent activity.

Results:

- IA determined from analysis and transactional testwork that the account balances appeared reasonable.

Conclusion: IA concluded that the cash balances at the school level are fairly stated.

2. Objective: To assess compliance with applicable policies and procedures.

Methodology:

- IA reviewed a sample of cash receipts to determine if the amounts were deposited timely;
- IA reviewed a sample of disbursements to determine if the amounts paid were reasonable, were approved by the principal, contained an itemized receipt or invoice to support the purchase and two authorized signatures on checks, as applicable;
- IA reviewed applicable disbursements over \$10,000 to determine if they were paid from a contract and/or were approved by the Office of Business Services or Office of Procurement Services, as applicable; and
- IA evaluated certain policies and procedures related to transfers, banking and account usage and procedures for cash collection and disbursements.

Results:

- All except one cash receipt reviewed were deposited timely;
- All disbursements reviewed were reasonable, were approved by the principal, contained two signatures, as applicable, and all except one contained an itemized receipt or invoice to support the purchase;
- There were no disbursements above \$10,000;
- From items reviewed, IA noted no exceptions related to certain policies and procedures with transfers, banking and procedures for cash collection and disbursements; and
- IA noted one exception related to account usage.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

Conclusion: IA concluded that the school is compliant with substantially all applicable policies and procedures.

3. Objective: To determine if internal controls are adequate and functioning as intended.

Methodology:

- IA conducted internal control interviews with the principal and the bookkeeper regarding the system of internal controls; and
- IA identified key internal controls and performed sample testwork on these significant controls to determine if they were working as intended.

Results:

- The principal and bookkeeper provided internal control information consistent with division requirements; and
- The sample testwork indicated that the school's significant internal controls are working as intended.

Conclusion: IA concluded that the internal controls are adequate and functioning as intended.

AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results, findings and suggestions for improvement for this audit were discussed with management. Audit results are based on The Code of Virginia, School Board policies and regulations, accounting procedures, the *Business Manual for Schools (Business Manual)*, and proper internal controls. The Statement of Cash Receipts and Disbursements has been included in the Appendix to this report. We thank management and staff of the Department of School Leadership, Frank W. Cox High School and all others that were contacted for their cooperation throughout the audit.

cc: Mr. Matthew D. Delaney, Chief Schools Officer, Department of School Leadership
Dr. Walter C. Brower, Senior Executive Director of High Schools
Ms. Melissa S. George, Principal

Ms. Crystal M. Pate, Chief Financial Officer, Department of Budget and Finance
Mr. Daniel G. Hopkins, Director of Business Services

Attachment: Appendix

AUDIT RESULTS AND MANAGEMENT'S RESPONSES

Finding No. 1: Disbursements Without Adequate Documentation

One out of 30 disbursements tested did not have adequate documentation to support the purchase. *Business Manual*, Section 10.1 School Activity Account Disbursements states, "All school activity account disbursements must...be supported by the following documentation: itemized receipts/invoices." The staff member requested the payment of \$275 for athletic trainer fees without providing an invoice from the vendor. The payment to the vendor was made using the purchase request. The bookkeeper stated that the Student Activities Coordinator will provide an invoice for future payments. IA could not determine the validity of the payment, as the school was unable to provide the invoice to support the purchase. An invoice or receipt substantiates that the school's funds are being properly spent.

Recommendations:

IA recommends that staff members obtain an invoice from the vendor prior to requesting payment. In addition, the bookkeeper should not process the payment without obtaining an invoice, and the principal should review the invoice before signing the check.

Management's Response:

The Chief Schools Officer (CSO) concurs. The principal will remind staff members to obtain an itemized receipt/invoice from the vendor to support each disbursement. In addition, the principal will direct the bookkeeper not to process a disbursement without an invoice by February 27, 2026. The principal will review the invoice prior to signing the check.

Finding No. 2: Incorrect Account Coding

During the review of the general ledger IA noted a disbursement that was incorrectly coded. *Business Manual*, Section 6.1 Coding of Activities Overview – Schools states, "...receipts and disbursements of each school activity must be recorded in the proper school activity account..." Conference room furniture, totaling \$13,978.50, was coded to the Sports Camps account instead of the Office account, where the disbursement should have been recorded. This error was caused by lack of review by the bookkeeper and was not noticed by the principal. Incorrect account usage inaccurately reflects the amount of funds spent and/or available for use.

Recommendations:

IA recommends that the bookkeeper review disbursements coding for accuracy and the principal monitor account balances and question any discrepancies.

Management's Response:

The CSO concurs. The principal will remind the bookkeeper to review the coding of disbursements for accuracy by February 27, 2026. The principal will monitor account balances and question any discrepancies.

AUDIT RESULTS AND MANAGEMENT'S RESPONSES, CONTINUED

Finding No. 3: Late Deposit

One point of collection of the 33 examined was deposited late. The check and collection receipt for \$90 were dated 9/10/25, the transmittal envelope was dated 11/5/25, and the deposit was made on 11/6/25. *Business Manual*, Section 9.1 School Activity Account Receipts states, "All collections must be receipted in a pre-numbered receipt book or listed on a pre-numbered Internal Accounting Control Sheet...all funds must be turned in daily to the bookkeeper." The bookkeeper did not question why the funds were not turned in on the day collected. In addition, the collection was recorded in a miscellaneous receipt book used by many staff members. This book had receipts that were used out of order because pages had been skipped and then used later. The oversight provided by the bookkeeper in reviewing the date and sequence of each staff member's receipt prior to depositing the funds segregates the duties of the collection process. Individual receipt books provide staff members with immediate access to record and transmit funds. Both processes reduce the risk of theft or loss.

Recommendations:

IA recommends that the bookkeeper reviews the date and sequence of each receipt and question any discrepancies. In addition, IA recommends that the bookkeeper issue a receipt book to staff members collecting funds and explain the expectation that funds be turned in daily.

Management's Response:

The CSO concurs. The principal will emphasize to the bookkeeper that the date and sequence of each receipt be reviewed and question any discrepancies. In addition, the bookkeeper will issue a receipt book to staff members collecting funds and will explain the expectation that funds be turned in daily. This will be completed by February 27, 2026.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Six-Month Period Ended December 31, 2025
Frank W. Cox High School

Account Group	Balance 7/1/2025	Cash Receipts	Cash Disbursements	Net Transfers	Balance 12/31/2025
Administrative Accounts	\$ 35,216	30,321	21,746	(10,477)	33,314
Virginia High School League Accounts	15,859	1,995	4,440	754	14,168
Club and Student Activity Accounts	42,446	56,361	64,552	33,557	67,812
Athletic Accounts	304,409	52,966	199,422	(31,662)	126,291
Departmental Accounts	13,239	29,827	40,291	11,453	14,228
VBCPS Accounts	382	-	-	-	382
School Board Allocation Accounts	-	500	125	-	375
Class/Scholarship/Grant Accounts	109,361	10,355	17,775	(3,500)	98,441
Clearing Accounts	125	305	505	(125)	(200)
Total	\$ 521,037	182,630	348,856	-	354,811
General	\$ -	-	40	40	-
Student Concession/Vending	646	395	-	(564)	477
Staff Concession/Vending	-	264	-	-	264
Bank Interest	181	22	-	-	203
Pictures	2,920	2,486	-	(4,640)	766
Staff Welfare	341	1,945	365	-	1,921
Supply Store	1,120	2,829	3,797	624	776
Professional Development	-	295	2,867	-	(2,572)
Office	(24)	-	294	191	(127)
Donations/Contributions	12,424	6,300	-	(7,770)	10,954
Office Depot Rebate	719	-	-	(649)	70
Staff Recognition	(18)	-	12,427	12,651	206
School-Wide Fundraisers	432	-	-	-	432
Parking	10,976	15,785	1,529	(10,540)	14,692
Indigent/Needy Students	57	-	-	-	57
School Beautification	(9)	-	247	256	-
Building/Grounds Improvements	-	-	180	180	-
Procurement Card Rebate	3,771	-	-	(256)	3,515
Bottled Drinks Vending	1,680	-	-	-	1,680
Administrative Accounts	35,216	30,321	21,746	(10,477)	33,314
Debate	110	30	448	448	140
Forensics	39	-	345	306	-
E Sports	264	-	50	-	214
Newspaper	2,730	1,965	1,929	-	2,766
Yearbook	12,534	-	1,668	-	10,866
VHSL Regions 5A/6A	182	-	-	-	182
Virginia High School League Accounts	15,859	1,995	4,440	754	14,168
Student Activities	-	-	7,586	7,763	177
SCA	12,610	21,658	23,975	8,614	18,907
Student Recognition	2,750	-	3,104	269	(85)
Student Mentoring	961	-	-	-	961
Art Club	356	-	-	-	356
Avid Club	65	-	-	-	65
Band Club	1,013	3,375	3,480	-	908
Crime Solvers	1	-	-	-	1
Chorus Club	535	-	86	-	449
Community Involvement Club	142	-	-	-	142
Drama Club	5,040	688	4,054	5,302	6,976
DECA	698	5,362	4,439	-	1,621
Dance Team	2,385	6,201	8,359	8,524	8,751
Environmental Club	53	-	-	-	53
Educators Rising	-	-	-	400	400
FBLA	457	8,565	2,709	-	6,313
FCCLA	101	5,877	3,861	(60)	2,057

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONTINUED
For the Six-Month Period Ended December 31, 2025
Frank W. Cox High School

French Club	148	-	-	-	148
Fashions	3,565	430	1,500	2,340	4,835
Gay-Straight Alliance	50	-	-	-	50
German Club	295	-	-	-	295
Habitat for Humanity	-	346	-	-	346
Key Club	44	570	-	-	614
Mu Alpha Theta/Math Honor Society	32	-	-	-	32
Medical Club	272	-	-	-	272
NJHS/NHS	2,675	1,365	-	-	4,040
National English Honor Society	27	-	-	-	27
National Social Studies Honor Society	1,138	-	-	-	1,138
National French Honor Society	433	-	-	-	433
National Journalism Honor Society	28	-	-	-	28
National Art Honor Society	151	1	-	-	152
National Music Honor Society	985	1,205	1,399	405	1,196
Operation Smile Club	314	222	-	-	536
Photography Club	690	-	-	-	690
Rock and Roll Club	-	304	-	-	304
Step Team	1,326	-	-	-	1,326
Science National Honor Society	2,284	192	-	-	2,476
Spanish Honor Society	822	-	-	-	822
Club and Student Activity Accounts	42,446	56,361	64,552	33,557	67,812
Athletics Reimbursement	21	22,685	26,470	-	(3,764)
Baseball	83	301	4,131	10,398	6,651
Basketball	11,381	-	14,774	13,597	10,204
Field Hockey	11,312	-	3,342	8,940	16,910
Football	4,749	-	11,431	11,440	4,758
Golf	1,337	-	735	-	602
Gymnastics	1,759	2,528	2,608	4,592	6,271
Soccer	14,409	316	11,720	17,103	20,108
Softball	611	1,887	1,473	3,182	4,207
Tennis	6,482	-	202	4,822	11,102
Track	3,880	339	1,152	4,380	7,447
Volleyball	3,991	90	3,069	3,783	4,795
Wrestling	8,527	416	5,639	2,443	5,747
Swimming	793	1,053	1,219	-	627
Tournament Reimbursement	(34)	13,049	13,533	34	(484)
Athletic Trainer	930	-	-	-	930
Cheerleaders	6,080	2,510	11,543	11,317	8,364
Invitational Tournaments	-	1,425	1,425	-	-
General Athletics	-	118	11,640	12,181	659
Lacrosse	6,170	249	6,050	10,878	11,247
Cross Country	300	-	-	-	300
Sports Camps	221,291	6,000	67,266	(150,752)	9,273
Rowing	337	-	-	-	337
Athletic Accounts	304,409	52,966	199,422	(31,662)	126,291
Instructional Materials	-	-	7,028	7,028	-
Library	204	-	222	-	(18)
Art	425	-	2,467	2,884	842
Guidance	438	10	437	-	11
Language Arts	385	705	602	-	488
Physical Education	177	2,020	1,680	-	517
Science	158	1,589	1,388	-	359
Special Education	5,865	15,780	16,362	(250)	5,033
Chorus	1,812	1,775	2,004	-	1,583
Orchestra	-	-	-	(405)	(405)
Technical Education	430	205	-	-	635

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONTINUED
For the Six-Month Period Ended December 31, 2025
Frank W. Cox High School

AVID	1,577	580	88	-	2,069
Business	100	-	-	-	100
Foreign Language	6	-	-	-	6
Family and Consumer Science	370	545	221	-	694
Field Trips	1,250	4,058	3,717	286	1,877
College Board Tests	42	-	-	-	42
VA Teachers for Tomorrow	-	2,560	4,075	1,910	395
Departmental Accounts	13,239	29,827	40,291	11,453	14,228
Technology	182	-	-	-	182
Textbooks-Lost	200	-	-	-	200
VBCPS Accounts	382	-	-	-	382
Opportunity & Achievement	-	500	125	-	375
School Board Allocation Accounts	-	500	125	-	375
Senior Class	5,931	2,150	5,057	5,145	8,169
Junior Class	6,607	-	-	(5,145)	1,462
Sophomore Class	514	1,145	-	-	1,659
Freshman Class	-	-	-	1,000	1,000
Alumni	46,972	-	1,268	(4,500)	41,204
VB Education Foundation Grants	32	-	-	-	32
Outside Organization Grants	1,868	2,000	1,423	-	2,445
NJROTC Federal Program	31,626	5,060	5,527	-	31,159
Pepsi Scholarship	70	-	-	-	70
Indiv/Memorial Scholarships	15,741	-	4,500	-	11,241
Class/Scholarship/Grant Accounts	109,361	10,355	17,775	(3,500)	98,441
Change	-	-	200	-	(200)
Clearing	-	305	305	-	-
Found Money	20	-	-	(20)	-
Restitution	105	-	-	(105)	-
Clearing Accounts	125	305	505	(125)	(200)
Total	\$ 521,037	182,630	348,856	-	354,811