

Memorandum of Advisory Comments

ATHLOS ACADEMY OF JEFFERSON

June 30, 2019

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***INTERNAL CONTROL
AND RELATED MATTERS***

Kushner LaGraize, L.L.C.

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ATHLOS ACADEMY OF JEFFERSON

We have audited the financial statements of Athlos Academy of Jefferson (the Academy), as of and for the year ended June 30, 2019, and have issued our report thereon dated December 30, 2019. As part of our audit we considered the Academy's internal control in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

Our consideration of the internal controls has been reported on in a separately issued report entitled "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*"

This memorandum summarizes various other matters which have come to our attention. While not involving significant deficiencies, these matters do present opportunities for strengthening the internal control and improving the operating efficiency of the Academy.

We have discussed our comments and recommendations with various administrative personnel and board members, and the Academy has completed a corrective action plan. We will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
December 30, 2019

ATHLOS ACADEMY OF JEFFERSON
MANAGEMENT LETTER COMMENTS

June 30, 2019

COMMENT

2019-01

During our testing of credit cards, we noted several transactions were not supported by adequate documentation, such as itemized receipts and documentation of business purpose or individuals participating in meal transactions.

Recommendation

To maintain a strong internal control structure and compliance with applicable laws & regulations, we recommend that management obtain and file all documentation supporting disbursement transactions.

Management's Response

See Management's Corrective Action Plan

2019-02

Athlos Academies' Board Policy 2008, Signature Authority Policy requires two signatures for checks greater than \$15,000. During our audit testing, we noted two checks over \$15,000 that did not contain two signatures.

Recommendation

To maintain a strong internal control structure, we recommend that management continue to follow their policies and procedures to ensure that proper controls are implemented to prevent the potential of a misappropriation of assets, and compliance with applicable policies and procedures.

Management's Response

See Management's Corrective Action Plan

2019-03

Athlos Academies' Cash Handling Procedures Manual requires the use of a cash receipt system. During our audit testing, we noted a cash receipt system is not utilized.

ATHLOS ACADEMY OF JEFFERSON
MANAGEMENT LETTER COMMENTS - CONTINUED
June 30, 2019

Recommendation

To maintain a strong internal control structure, we recommend that management follow their policies and procedures to ensure that proper controls are implemented to prevent the potential of a misappropriation of assets, and compliance with applicable policies and procedures.

Management's Response

See Management's Corrective Action Plan

MEMORANDUM OF ADVISORY COMMENTS CORRECTIVE ACTION PLAN

December 31, 2019

Louisiana State Legislative Auditor

Athlos Academy of Jefferson respectfully submits to you the following corrective action plan for the audit comments for the year ended June 30, 2019.

Kushner LaGraize, LLC
Certified Public Accountants and Consultants
3330 W Esplanade Ave - Suite 100
Metairie, La 70002

Audit period: July 1, 2018 – June 30, 2019

Comments

2019-01

During our testing of credit cards, we noted several transactions were not supported by adequate documentation, such as itemized receipts and documentation of business purpose or individuals participating in meal transactions.

Recommendation

To maintain a strong internal control structure and compliance with applicable laws & regulations, we recommend that management obtain and file all documentation supporting disbursement transactions.

Management's Response

Athlos Academy of Jefferson concurs with the recommendation of the auditors. Athlos Academy of Jefferson has hired a Director of Finance to ensure oversight, proper documentation and monitoring of credit card transactions. Additionally, Athlos Academy of Jefferson for FY20 and beyond has implemented a credit card policy and procedures handbook.

2019-02

Athlos Academies' Board Policy 2008, Signature Authority Policy requires two signatures for checks greater than \$15,000. During our audit testing, we noted two checks over \$15,000 that did not contain two signatures.

Recommendation

To maintain a strong internal control structure, we recommend that management continue to follow their policies and procedures to ensure that proper controls are implemented to prevent the potential of a misappropriation of assets, and compliance with applicable policies and procedures.

Management's Response

Athlos Academies of Jefferson reviewed this instance and found it was isolated to one incident that was enacted by a former Executive Director. Since the removal of the previous Executive Director this has not reoccurred.

2019-03

Athlos Academies' Cash Handling Procedures Manual requires the use of a cash receipt system. During our audit testing, we noted a cash receipt system is not utilized.

Recommendation

To maintain a strong internal control structure, we recommend that management follow their policies and procedures to ensure that proper controls are implemented to prevent the potential of a misappropriation of assets, and compliance with applicable policies and procedures.

Management's Response

Athlos Academy of Jefferson concurs with the recommendation of the auditors. Athlos Academy of Jefferson has hired a Director of Finance to ensure oversight and monitoring of cash handling and receipting in accordance with our Cash Handling Procedures Manual.