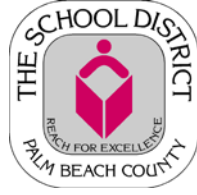


The School District of Palm Beach County, Florida

Internal Funds Accounts Audit June 30, 2016

Report #2017-05



MISSION STATEMENT

The School District of Palm Beach County is committed to providing a world-class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

Robert M. Avossa, Ed.D.
Superintendent of Schools

School Board Members

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Maureen Werner, Principal Representative
Kathryn Gundlach, CTA President

* As of June 30, 2016

Effective November 22, 2016, Dr. Robinson was elected Vice-Chair of the School Board

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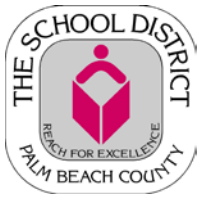
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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
3318 FOREST HILL BLVD., C-306
WEST PALM BEACH, FL 33406

(561) 434-7335 FAX: (561) 434-8652
www.palmbeachschools.org

LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

SCHOOL BOARD
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MARCIA ANDREWS
FRANK A. BARBIERI, JR., ESQ.
KAREN M. BRILL
BARBARA McQUINN
ERICA WHITFIELD

ROBERT M. AVOSSA, Ed.D., SUPERINTENDENT

May 19, 2017

Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Members of the School Board Audit Committee

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis for the Year Ended June 30, 2016, for the Internal Fund Accounts of the Schools (as listed in Note 4) of The School District of Palm Beach County, Florida, pursuant to the *Florida State Board of Education, Administrative Rules 6A-1.087(2)*. This financial statement is the collective responsibility of each school's principal. Our responsibility is to express an opinion on this combined financial statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Auditing Standards*, and the *Government Auditing Standards* promulgated by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. In addition, this financial statement presents only the Internal Fund Accounts and is not intended to present the changes in fund balance of The School District of Palm Beach County, Florida, on the basis of accounting discussed in Note 1.

This report presents the results of Internal Funds Audits for all 175 schools. In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the changes in fund balance of the Internal Fund Accounts of the Schools of The School District of Palm Beach County, Florida, for Year Ended June 30, 2016, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2017, on our consideration of The School District of Palm Beach County, Florida's internal control over financial reporting for Internal Fund Accounts and our tests of its compliance with certain provisions of laws, regulations, *School Board Policies*, and School District procedures and guidelines.

Our audit was made for the purpose of forming an opinion on the above-mentioned financial statement taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the Combined Statement of Changes in Fund Balance-Cash Basis for the Internal Funds of the Schools of The School District of Palm Beach County, Florida. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and in our opinion, is fairly presented in all material respects, in relation to the financial statement taken as a whole.

Sincerely,

Lung Chiu, CIG, CPA
Inspector General
Office of Inspector General

The School District of Palm Beach County, Florida
Combined Statement of Changes in Fund Balance – Cash Basis
Internal Fund Accounts
Year Ended June 30, 2016

FY 2016 ALL SCHOOLS	Beginning Balance	Receipts	Expenditures	Transfers In	Transfers Out	Ending Balance
1 - ATHLETICS	\$1,288,095.84	\$5,615,910.24	\$5,512,995.76	\$2,027,159.36	\$1,948,189.73	\$1,469,979.95
2 - MUSIC	964,907.69	4,925,007.63	4,914,869.09	1,530,649.95	1,497,672.51	1,008,023.67
3 - CLASSES	906,223.94	6,246,129.63	5,972,693.95	1,069,125.61	1,248,648.33	1,000,136.90
4 - CLUBS	1,533,859.22	5,149,386.16	4,862,004.87	1,478,443.58	1,651,481.58	1,648,202.51
5 - DEPARTMENTS	3,612,270.73	7,244,499.59	7,160,533.27	2,234,934.63	2,114,938.61	3,816,233.07
6 - TRUSTS	7,640,631.29	48,141,174.12	48,166,123.05	2,413,490.75	2,588,142.13	7,441,030.98
7 - GENERAL ACTIVITIES	1,754,272.79	3,755,811.97	4,225,962.77	1,679,770.44	1,384,501.43	1,579,391.00
TOTALS	<u>\$17,700,261.50</u>	<u>\$81,077,919.34</u>	<u>\$80,815,182.76</u>	<u>\$12,433,574.32</u>	<u>\$12,433,574.32</u>	<u>\$17,962,998.08</u>

Source: Individual School Statements of Changes in Fund Balance

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June 30, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As defined by *Chapter 6A-1.085 Florida State Board of Education Rules*, internal funds are monies collected and expended within a school that are used for financing the normal program of school activities not otherwise financed, for providing necessary and proper services and materials for school activities, and for other purposes consistent with the school program as established and approved by The School District of Palm Beach County, Florida (the "District"). This report consists of the 175 schools listed in Note 4. The District retains no equity interest in these funds and they are included in the District's Comprehensive Annual Financial Report as an agency fund. The District and its governing board are organized and operated under *Section 4, Article IX, of the Constitution of Florida and Chapter 1001 of Florida Statutes*. The District's boundaries are coterminous with those of Palm Beach County. Management of the schools is independent of county and city governments.

Basis of Accounting

The financial statement is prepared on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and disbursements are recognized when cash is disbursed rather than when the obligation is incurred.

(2) CASH AND INVESTMENTS

Cash and investments include petty cash, demand deposits, savings and time deposits and are held in qualified public depositories pursuant to *Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act."* Under the Act, every qualified public depository shall deposit with the State Chief Financial Officer eligible collateral of the depository to be held subject to his or her order. The State Chief Financial Officer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 150% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

(3) ACTIVITIES ACCOUNTS

The student activity accounts used in this report are as follows:

Athletics

All revenue and expenditures involving athletic business transacted at the school level is recorded in this account classification.

Music

Proceeds from activities of musical organizations; donations to these groups; and their expenses for supplies and trips are recorded in this account classification.

Classes and Clubs

Class and club accounts are those which support a group of students within a community of interest with a roster of members, officers, and a sponsor. Approval for the existence of all club and class activities is the responsibility of the principal. Class and club monies must be spent for the benefit of the class or club or for purposes designated by the class or club that participated in generating the revenue.

Departments

Departments are structured in a manner similar to classes and conduct their financial activities subject to those guidelines.

Trusts

Funds collected for specific, restricted purposes are accounted for in trust funds. Trust funds can be spent only for the purposes for which collected.

General

This category encompasses all other accounts for funds which are to be utilized for the general welfare of the student today.

(4) SCHOOLS IN THE DISTRICT

This report includes the following 175 schools:

Elementary Schools (108)

Acreage Pines Elementary	D.D. Eisenhower Elementary
Addison Mizner Elementary	Del Prado Elementary
Allamanda Elementary	Diamond View Elementary
Banyan Creek Elementary	Discovery Key Elementary
Barton Elementary	Dr. Mary McLeod Bethune Elementary
Beacon Cove Intermediate	Egret Lake Elementary
Belle Glade Elementary	Elbridge Gale Elementary
Belvedere Elementary	Equestrian Trails Elementary
Benoist Farms Elementary	Everglades Elementary
Berkshire Elementary	Forest Hill Elementary
Binks Forest Elementary	Forest Park Elementary
Boca Raton Elementary	Freedom Shores Elementary
C.O. Taylor / Kirklane Elementary	Frontier Elementary
Calusa Elelmentary	Galaxy E3 Elementary
Cholee Lake Elementary	Glade View Elementary
Citrus Cove Elementary	Golden Grove Elementary
Coral Reef Elementary	Gove Elementary
Coral Sunset Elementary	Grassy Water Elementary
Crosspointe Elementary	Greenacres Elementary
Crystal lakes Elementary	Grove Park Elementary
Cypress Trails Elementary	H.L. Johnson Elementary

Hagen Road Elementary
Hammock Pointe Elementary
Heritage Elementary
Hidden Oaks Elementary
Highland Elementary
Hope-Centennial Elementary
Indian Pines Elementary
J.C. Mitchell Elementary
Jerry Thomas Elementary
Jupiter Elementary
Jupiter Farms Elementary
K.E. Cunningham/Canal Point Elementary
Lake Park Elementary
Lantana Elementary
Liberty Park Elementary
Lighthouse Elementary
Limestone Creek Elementary
Lincoln Elementary
Loxahatchee Groves Elementary
Manatee Elementary
Marsh Pointe Elementary
Meadow Park Elementary
Melaleuca Elementary
Morikami Park Elementary
New Horizons Elementary
North Grade Elementary
Northboro Elementary
Northmore Elementary
Orchard View Elementary
Pahokee Elementary
Palm Beach Gardens Elementary
Palm Beach Public Elementary
Palm Springs Elementary
Palmetto Elementary

Panther Run Elementary
Pierce Hammock Elementary
Pine Grove Elementary
Pine Jog Elementary
Pioneer Park Elementary
Pleasant City Elementary
Plumosa Elementary
Poinciana Elementary
Rolling Green Elementary
Roosevelt Elementary
Rosenwald Elementary
Royal Palm Beach Elementary
S.D. Spady Elementary
Sandpiper Shores Elementary
Seminole Trails Elementary
South Grade Elementary
South Olive Elementary
Starlight Cove Elementary
Sunrise Park Elementary
Sunset Palms Elementary
The Conservatory School @ North Palm
Beach Elementary
Timber Trace Elementary
U.B. Kinsey/Palmview Elementary
Verde Elementary
Washington Elementary
Water's Edge Elementary
Wellington Elementary
West Gate Elementary
West Riviera Elementary
Westward Elementary
Whispering Pines Elementary
Wynnebrook Elementary

Middle Schools (33)

Bak Middle School of the Arts
Bear Lakes Middle
Boca Raton Middle
Carver Middle
Christa McAuliffe Middle
Congress Middle
Conniston Middle
Crestwood Middle

Don Estridge High Tech Middle
Eagles Landing Middle
Emerald Cove Middle
Howell L. Watkins Middle
Independence Middle
Jeaga Middle
John F. Kennedy Middle
Jupiter Middle

L.C. Swain Middle
Lake Shore Middle
Lake Worth Middle
Lantana Middle
Loggers' Run Middle
Odyssey Middle
Okeeheelee Middle
Omni Middle
Osceola Middle

Palm Springs Middle
Polo Park Middle
Roosevelt Middle
Tradewinds Middle
Watson B. Duncan Middle
Wellington Landings Middle
Western Pines Middle
Woodlands Middle

High Schools (23)

A.W. Dreyfoos, Jr. School of the Arts
Atlantic High
Boca Raton High
Boynton Beach High
Forest Hill High
Glades Central High
John I. Leonard High
Jupiter High
Lake Worth High
Olympic Heights High
Pahokee Middle/Senior High
Palm Beach Central High

Palm Beach Gardens High
Palm Beach Lakes High
Park Vista High
Royal Palm Beach High
Santaluces High
Seminole Ridge High
Spanish River High
Suncoast High
Wellington High
West Boca Raton High
William T. Dwyer High

Other Schools (11)

Adult Education Center
Crossroads Academy
Delray Full Service Center
Gold Coast Community School
Indian Ridge School
Palm Beach Virtual
Riviera Beach Preparatory &
Achievement Academy
Royal Palm School
South Intensive Transition School
Turning Point Academy
Village Academy



THE SCHOOL DISTRICT OF
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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

SCHOOL BOARD
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KAREN M. BRILL
BARBARA MCQUINN
ERICA WHITFIELD

ROBERT M. AVOSSA, Ed.D., SUPERINTENDENT

May 19, 2017

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Members of the School Board Audit Committee

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Fund Accounts of the Schools of The School District of Palm Beach County, Florida, as of and for the year ended June 30, 2016, and have issued our report thereon dated May 19, 2017. We conducted our audit in accordance with *Generally Accepted Auditing Standards* and the applicable standards contained in *Government Auditing Standards*, promulgated by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether The School District of Palm Beach County, Florida's financial statement for Internal Funds is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, *School Board Policies* and School District procedures and guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for providing the information of the School District to the School Board, Audit Committee, and other interested parties.

Sincerely,

Lung Chiu, CIG, CPA
Inspector General
Office of Inspector General

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

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MICHAEL MURGIO
DEBRA L. ROBINSON, M.D.
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

May 19, 2017

MANAGEMENT LETTER

Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Members of the School Board Audit Committee

Ladies and Gentlemen:

We have audited the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Fund Accounts of The School District of Palm Beach County, Florida, as of and for the year ended June 30, 2016, and have issued our report thereon dated May 19, 2017.

In planning and performing our audit of the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Funds of The School District of Palm Beach County, Florida, for the year ended June 30, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Combined Statement of Changes in Fund Balance-Cash Basis of the Internal Funds, and not to provide assurance on the internal control structure. We also performed risk analysis at all schools to identify high risk areas for additional testing; such as, financial trends of individual accounts, payments to specific vendors, and previous audit noncompliances, etc.

To evaluate the extent of compliance with *School Board Policies*, School District procedures and guidelines, and to detect potential irregularities, we conducted both random and judgmental sample testing. Judgmental sampling is widely used by the U.S. Government Accountability Office (GAO) and professional auditing practitioners to assess the effectiveness of controls and the extent of compliance with laws, rules, and regulations. In judgmental sampling, auditors rely on their knowledge and experience to select items and transactions most likely to have a questionable public purpose, and therefore could provide an indicator of potential fraud or irregularity. If significant irregularities were identified during the audit, we would expand the scope to review all relevant transactions; and the instances of alleged irregularities would be referred to School Police and Personnel for further investigation, if warranted. The results of these expanded scope reviews were not included in this report, and were released as separate reports.

As a result of this examination, we hereby present a number of findings and recommendations for consideration by District management. These suggestions are based primarily on the work done

during our audit engagement, and the findings are not necessarily covering every possible weakness. Nevertheless, we do think they deserve careful evaluation. We also identified 28 schools in which no significant noncompliances were identified.

Collectively, there were 13 findings for the 2016 Internal Funds Audit of 175 schools. These findings were categorized into five areas: Disbursements, Money Collections, Leasing of School Facilities, and Segregation of Duties, and other emerging issues. Findings for each school were brought to the immediate attention of the Principal during the fieldwork. Individual management response was obtained from the Principal and was included in each school audit.

We recognize that implementing the recommendations outlined in each finding will require staff commitments. However, we believe that the benefits derived will far exceed the cost of implementing these recommendations.

OVERALL FINDINGS FOR THE 175 SCHOOLS

I. Disbursements

1. Disbursements Not Properly Documented or Approved
2. Vendors Allowed on Campus without *Consultant Contract*

II. Money Collections

3. Inadequate Fundraising Documentation
4. Cash Collection and Deposit Procedures
5. Monies Not Deposited Timely

III. Leasing of School Facilities

6. *Lease Agreement* Not Properly Signed
7. Late Payments
8. Inadequate Proof of Insurance

IV. Segregation of Duties

9. Staff Performing Incompatible Duties

V. Other Emerging Issues

10. Access to Online Training by District Volunteers
11. Training Be Completed Prior to Sponsoring Activity
12. Documentation for Give-Away Items
13. Two Signers for *Section 2 of Drop-Safe Log*

SAMPLING METHODOLOGY

(Source: GAO's "Using Statistical Sampling", May 1992)

Judgmental Sampling. To evaluate the extent of compliance with *School Board Policies*, School District procedures and guidelines, and to detect potential irregularities, we conducted both random and judgmental sample testing. Judgmental sampling is widely used by the U.S. Government Accountability Office (GAO) and professional auditing practitioners to assess the effectiveness of controls and the extent of compliance with laws, rules, and regulations. In judgmental sampling, auditors rely on their knowledge and experience to select items and transactions most likely to have a questionable public purpose, and therefore could provide an indicator of potential fraud or irregularity.

Judgmental Sampling Results Cannot Be Generalized to Population. Judgmental sampling is not statistical or scientific sampling, and the rate of occurrence would not be the same in the remaining population of untested items. Therefore, the sampling results cannot be generalized to a population. Applying the occurrence rate from judgmental samples to the entire population of transaction is meaningless and will produce misleading generalization.

Audit Scope and Extent of Testing Through Various Sample Sizes for Individual Schools. The audit scope and sample sizes for individual schools were adjusted accordingly based on the circumstances and need for testing. Priority was given to those schools with (1) change in principal or treasurer, and (2) critical and repeated noncompliances. The Internal Funds Audits involved review of results from follow-up on prior year's findings and testing of compliance and adequacy of internal controls

SCHOOLS WITH NO SIGNIFICANT NONCOMPLIANCES

We would like to recognize the 28 schools in which no significant noncompliances were identified during the Fiscal Year 2016 Audits. While not every error or control weakness is necessarily identified during our audit engagement, no significant noncompliances or weaknesses were found in the samples examined at the following 28 schools.

Acreage Pines Elementary**	Morikami Park Elementary
Adult Education Center	New Horizons Elementary
Bak Middle School of the Arts	Northboro Elementary
Citrus Cove Elementary	Orchard View Elementary
Crossroads Academy	Palm Beach Virtual School
Diamond View Elementary	Pine Jog Elementary
Eagles Landing Middle	Poinciana Elementary
Egret Lake Elementary	Royal Palm Beach Elementary
Elbridge Gale Elementary	Sandpiper Shores Elementary**
Jupiter Middle	Starlight Cove Elementary
Lantana Middle**	Sunset Palms Elementary
Loggers Run Middle**	Waters Edge Elementary**
Loxahatchee Groves Elementary	Woodlands Middle
Melaleuca Elementary	Wynnebrook Elementary

Schools marked with ** also had no significant noncompliances during Fiscal Year 2015 Audits. We have notified the Regional Superintendents of the above schools for their extraordinary performance in complying with *School Board Policies* and maintenance of their records.

I. DISBURSEMENTS

During Fiscal Year 2016, all 175 schools in the School District disbursed a total of \$80.8 million in payments for purchases of goods, services, and other expenditures through the Internal Funds. These expenditures included 73,482 transactions in District's Purchasing Cards (P-Cards) totaling \$13.6 million. Two findings were noted in the area of disbursements.

1. Disbursements Not Properly Documented or Approved

Per *School Board Policy 6.07, Internal Accounts*, the principal of the school shall be directly responsible for administering the State and District rules, regulations, and procedural guidelines. The internal controls established by the *Internal Accounts Manual* and District guidelines should provide guidance for the principal in approving each disbursement. The District continued to improve compliance in this area by providing ongoing training opportunities in financial management for staff, both web-based and face-to-face.

The 2016 Audits found that 121 schools did not have major noncompliance with District guidelines for disbursements (increase from 116 in 2015 Audits). However, the audits also revealed that at 54 (31%) of the schools, some of their disbursements lacked the necessary documentation. We also noted some transactions made with P-Cards at 28 (16%) schools lacked the appropriate documentation.

Regarding disbursements,

- 19 (11%) schools issued checks or paid by P-Card had *no* supporting documentation. All disbursements should be supported by a vendor invoice, paid receipt, or some other form of documentation from an independent source. Moreover, the issuance of school check should be supported by a *Check Requisition* signed by the sponsor and approved by the principal.
- 37 (21%) schools made payments based on insufficient documentation, such as vendors' account statements or packing lists that did not have the details of the purchases.
- 20 (11%) schools paid consultants without a properly executed written agreement (PBSD 1420) or with written agreements that lacked critical information such as hourly rates, maximum contract amounts, principals' and consultants' signatures, etc.

Regarding the *planning* and *authorization* of disbursements,

- 21 (or 12%) schools (down from 40 schools in Fiscal Year 2015) did not issue *Purchase Orders* for some disbursements exceeding \$1,000 as required by the *Internal Accounts Manual, Chapter 8 (Cash Disbursements and Checks)*. Large purchases should be pre-approved by the principals to confirm the availability of funds for payment.
- 16 (9%) schools issued payments based on purchase agreements and contracts signed by staff members instead of the principal.

(Please note that some schools had more than one of the above findings.)

Disbursement procedures should be administered in accordance with *Internal Accounts Manual*, *Purchasing Manual*, and related District guidelines. Specifically,

- All check disbursements should be adequately documented with *Check Requisitions* approved by the school principal and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the related expenses were appropriate.
- Contractual agreements should be signed by the principal as authorized by *School Board Policy 6.14. Section 4*, which states “*No person, unless specifically authorized ..., may make any purchase or enter into any contract involving the use of school or School District funds. Payment of any unauthorized purchase may be the responsibility of the person placing the order.*”
- We recognize that acquiring adequate supporting documentation when conducting P-Card purchases online can be challenging, especially for those schools with limited support staff; but it is a prudent business practice to ensure that all transactions are thoroughly documented with regards to descriptions, quantities, prices, proof of receipt, and business purpose. More importantly, purchase of certain items and commodities by individual schools is prohibited by the School District. Without proper descriptions of the items purchased, there is no assurance that the purchase is appropriate.

Management’s Response:

Management concurs. The number of schools cited for various audit findings in the Cash Disbursements area decreased by 5 schools (8%) to 54 schools in FY16, compared with 59 and 72 schools in FY15 and FY14, respectively. Management believes the decrease in audit findings correlates to the FY16 on-line training for teacher/sponsors. Twice as many teacher/sponsors took the training in FY16 compared with FY15. Also, treasurers receive live face-to-face monthly training sessions offered by Accounting Services. Training and experience on the part of the treasurer contribute to the success of the school’s audit.

2. Vendors Performed Services on Campus without Consultant Agreement

In 13 (7%) schools, some vendors were permitted to perform services at the schools without a written *Consultant Agreement*. Section 8 of the District’s standardized *Consultant Agreement* (PBSD 1420) specifies the requirements for completing background checks/fingerprinting of vendors in accordance with the *Jessica Lunsford Act (Florida Statutes §1012.465)*. The lack of a written *Consultant Agreement* could result in a school’s failure in enforcing this provision.

To protect the safety and welfare of students, prior to vendors’ performing services on school campus, they must (1) have a properly executed *Consultant Agreement*, and (2) have been cleared of the required background and clearance checks as required by *Florida Statutes §1012.465 (Jessica Lunsford Act)*.

Management’s Response:

Management concurs. All consultant engagements require contracts. The Purchasing Department reinforces the proper procedures for consultant engagements at the monthly face-to-face treasurer training hosted by Accounting Services. The Purchasing Department has a purchasing agent responsible for management of consultant contracts to work with schools. The Purchasing Department website has been expanded with information regarding consultant agreement guidelines and samples are available. In addition, the topic of consultants is also addressed in the FY16 on-line Cash Disbursement training for teacher/sponsors. As mentioned in response #1 above, more than twice as many teacher/sponsors took the training in FY16 than did in FY15.

II. MONEY COLLECTIONS

During Fiscal Year 2016, all 175 schools in the School District collected a total of \$81.1 million in Internal Fund revenues, mostly from (1) fundraising, (2) special trusts, and (3) program fees. Four findings were noted in the area of money collections.

3. Inadequate Fundraising Documentation

Fundraising activities are governed by *School Board Policy 2.16 – Fund-Raising Activities Relating to Schools*. Noncompliances in fundraising were identified at 110 or 63% of the schools (down from 138, or 79%, schools in Fiscal Year 2015) in five categories: 1) sponsors failed to complete the mandatory annual online training, 2) insufficient/lack of documentation, 3) inaccurate financial information, and 4) lack of authorization. Repeated violations of District Rules for fundraising by the same staff were referred to the Office of Professional Standards for appropriate action.

<u>Noncompliance</u>	<u>Number of Schools</u>
1. Sponsors failed to complete online training	
• Sponsor did not complete the required training during Fiscal Year 2016	58
2. Insufficient/Lack of Documentation	
• <i>Sales Item Inventory Report</i> missing or not used	32
• <i>Sales Item Inventory Report</i> incomplete	20
• <i>Ticket Sellers Report</i> missing or not used	4
3. Financial Inaccuracy	
• Revenue shortage, based on available sales and purchasing records	24
• Revenue recorded in the club’s/activity’s primary account instead of dedicated decimalized account	11

<u>Noncompliance</u>	<u>Number of Schools</u>
4. Lack of Authorization	
• <i>Sales Item Inventory Report</i> not reviewed and/or signed by principal	31
• <i>Fundraising Application/Recap</i> form missing (no evidence of principal's authorization)	18
• Fundraising activity started before Principal's authorization	10

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.

To ensure proper fiscal accountability, (1) *Sales Item Inventory Report* and *Ticket Sellers Report* should be completed with accurate information for each fundraiser; (2) the above fundraiser *Reports* should also be maintained to account for the revenue for sales items such as Yearbook, that might not be primarily intended for fundraising.

While we recognize staff has taken proactive steps to strengthen controls and improve compliance, complete and accurate sales information on the *Sales Item Inventory Reports* and *Ticket Sellers Reports* is critical to ensure all revenues are accounted for. The OIG will coordinate with (1) Accounting Department to ensure staff is properly trained for the use of these forms, and (2) Human Resources to ensure that personnel actions will be taken accordingly if fundraising reports are missing or not prepared.

Management's Response:

Management concurs. All documentation is important and required to ensure compliance with District internal controls. Beginning in FY15 a new, non-compliance item was added for sponsors that failed to complete online training. Of the 110 schools noted as having non-compliance in fundraising, 58 were cited for failing to complete the on-line training. However, 28 of the 110 schools had no findings or other issues related to fundraising other than not completing the training. While the District requires on-line training, if all other processes and procedures were followed these 28 schools should be excluded from the stated total of 110, or reported separately. Of the 82 schools with documentation findings, a majority of them did not complete the on-line training which more than likely contributed to the inadequate documentation findings. Management will continue to work with schools to reinforce training of the treasurers, teacher/sponsors, and principals to increase the awareness of the proper fundraising documentation.

4. Cash Collection and Deposit Procedures

To help strengthen the controls and ensure the integrity of revenue collections, the District has developed and implemented certain procedures for cash handling. These procedures require the activity sponsors to (a) record the collection information on the prenumbered *Drop-safe Log*, (b) retain the yellow copy of *Monies Collected Reports* (MCRs) before dropping of the collections into the school's drop-safe for deposit, and (c) submit at year-end the yellow MCRs

and the *Official Receipts* generated by the Internal Funds accounting system to the principal's designated staff (other than the treasurer) for future reference. The procedures also requires an independent staff verifier to (a) accompany the school treasurer to open the drop-safe and complete Section 2 of the *Drop-safe Log* after the contents were removed from the safe for the processing by the treasurer, and (b) complete Section 3 of the *Drop-safe Log* after the collections have been processed and recorded in the accounting system by the treasurer.

We recognize management's efforts to improve the controls in money collection. However, during the 2016 Audits, we noted instances of noncompliance with MCR related procedures and maintenance of *Drop-safe Logs*.

Drop-safe Logs. Staff did not always record information for the deposits on the *Drop-safe Log* in 43 (25%) of the schools. In some instances, staff did not record the deposit information or entered incomplete information on the *Drop-safe Log*, such as missing names, dates and dollar amount. At times, the school treasurer signed *Section 2* of the *Log* alone after removing the monies from the safe for processing; i.e., no evidence of an independent staff verifier accompanying the treasurer to the safe. Also, in some instances, the independent staff verifier did not complete *Section 3* of the *Drop-safe Log* indicating that funds were properly recorded in the accounting system. Some pages of the *Drop-safe Log* were missing at 16 schools (up from nine).

Yellow Copy of MCRs Provided to School Treasurer at Year-end. At 16 (9%) schools, staff were mistakenly instructed to turn in the yellow copies of the MCRs directly to the treasurer, which contradicted the District instructions to submit the documents to the school secretary at year-end.

Activity Sponsors Did Not Retain Yellow Copy of MCRs. During 2016 Audits, we noted significant improvement in retaining the yellow copies of the *Monies Collected Reports* by activity sponsors before placing the collections into the drop-safe for deposit. Only six (3%) schools (decrease from 21 in 2015) had instances of noncompliance in this area.

Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount printed on the *Official Receipt* provided by the treasurer agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for revenue collections if record-keeping errors should occur.

Prenumbered Documents Not Adequately Controlled. Improvement was also noted in the controls for prenumbered documents used for financial operations since 2015 Audits. The District's operating procedures require schools to designate document custodians for all prenumbered documents including *Drop-safe Logs*, *School Checks*, *Classroom Receipts* and *Prenumbered Tickets*. The 2016 Audits found that 16 (9%) schools (decrease from 31 for 2015 Audits) did not assign custodians for some prenumbered documents. In addition, 23 (13%) schools (down from 45) did not inventory prenumbered documents in accordance with District guidelines.

To ensure proper fiscal accountability and as required by **Bulletin #P-14051-S/CFO** and **Internal Accounts Manual, Chapter 7's Record Retention Requirements**, (1) *Drop-safe Log* should be properly completed with all the needed information, (2) the completed *Log* should be retained by a staff member other than the treasurer for five years, and (3) teachers/sponsors should submit their yellow copies of the MCR and computerized receipts to the school secretary at year-end. Document custodians should be assigned for all prenumbered documents; and prenumbered documents should be periodically inventoried in accordance with District guidelines as required by **Internal Accounts Manual, Chapter 27**.

District management should develop and implement procedures to ensure that controls in use of *Monies Collected Reports* and *Drop-safe Logs* are enforced. To further enhance the record keeping and streamline the bookkeeping process, the District should explore the feasibility of computerizing the *Monies Collected Reports*, with direct interface with the Internal Funds accounting system.

Management's Response:

Management concurs with several of the points and training is available and mandatory for all teacher/sponsors collecting funds on behalf of the school. Management is pleased some of these findings are on the decline with regard to pre-numbered documents and sponsors retaining yellow copy of the Monies Collected Reports (MCR). Management will continue to stress at the end of the year the MCR should be turned into the school secretary and that all funds dropped in the safe should be recorded on the Drop-Safe Log, and the Log should be completed in accordance with the training and procedures indicated by the Internal Accounts Manual. The treasurer is not required to sign the Log, but the third party verifier should be completing the 2nd and 3rd sections of the Log. Regarding the control of pre-numbered documents, the treasurers are trained annually on Chapter 27 of the Internal Accounts Manual which addresses this requirement.

Starting with school year 2016-2017:

- *The AESOP contract allows for a supplement for document custodians designated by the principal.*
- *ELM training is available regarding duties and how to properly account for various pre-numbered documents.*
- *Principals received high level training on the Drop Safe Log process.*

5. Monies Not Deposited Timely

In 31 (17%) of the schools, monies collected by staff were not always turned in timely to the bookkeeper for deposit, with delays ranging from one to 30 working days, and an average of five working days. At five schools, treasurers did not timely deposit collected monies into the bank, with delays ranging from six to 18 working days. Delays in turning in the monies for deposit could result in potential irregularity and increase the risk exposure for staff. **DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)** and District's guidelines require that all monies collected

be (1) put in the drop-safe daily and (2) be deposited in the bank within five working days after collection.

Management's Response:

Management concurs. The number of schools cited for not depositing monies timely needs improvement, and will continue to be a focus of training. Completion of Teacher/Sponsor Training for Cash Receipts for FY17 is at an all-time high.

III. LEASING OF SCHOOL FACILITIES

The School District recognizes the mutual benefits of the use of school facilities by the community and civic organizations, other government entities, and taxpayers. To meet the needs of the community while protecting the best interests of the schools, certain leasing guidelines were developed by the District and implemented by the schools.

The District uses a Computer Aided Facilities Management software program, the Tririga System, to track school facility leasing activities. While most concerns related to rental rates and documentation were addressed by this computer software, staff still needs to exercise diligence regarding *Lease Agreement* preparation, proof of liability insurance coverage, and rental charges collection and distribution. Three findings were noted in the area of school facilities leasing.

6. Lease Agreement Not Properly Signed

Lease Agreements were not always executed with all the required dated signatures in a timely manner. Incomplete or missing information was noted on some leases in 36 (21%) of the schools. Beginning in Fiscal Year 2014, management modified the leasing approval process by allowing for an electronic signature of the principal. However, the manual signatures of lessee and witness on *Lease Agreement* must still be obtained prior to the use of facility. To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the lessees' use of facilities.

Management's Response:

Management concurs. Staff will identify additional ways to reinforce training on the importance of obtaining a signed lease in advance of the event, ensuring the contract is legally enforceable. In FY18, an on-line post-training knowledge test will cover this topic and allow us to track which schools have taken the training and passed the test. In addition, the 5-year trend data will be evaluated to identify whether there are specific schools that require targeted training.

7. Late Payments

School Board Policy 7.18 states, “Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to the use of a facility.**” However, due to certain technicalities in receiving lease payments from some long-term leases, some lease arrangements at 26 (15%) of the schools did not comply with this requirement. All rental charges should be collected 48 hours prior to lessees’ use of the school facilities in accordance with **School Board Policy 7.18.**

Management’s Response:

Management concurs. Staff will identify additional ways to reinforce training to help ensure payments are made timely, especially for long-term recurring leases. In FY18, an on-line post-training knowledge test will be added to cover this topic. In addition, the 5-year trend data will be evaluated to identify whether there are specific schools that require targeted training.

8. Inadequate Proof of Insurance

The audits noted six (3%) of the schools did not receive proof of adequate liability insurance coverage from some of their lessees. While the Tririga System requires insurance certificates be scanned and attached prior to the approval of the lease, staff must continue to verify that the certificate is current and meets the required amount of liability coverage, and specifically includes the School Board as an additional insured party. To protect the School District from potential unwarranted liabilities, all lessees should provide proof of adequate and proper insurance or purchase the required insurance coverage through the District’s insurance pool prior to the use of school facilities.

Management’s Response:

Management concurs. When leases are submitted to the District Leasing Office, they all are reviewed to ensure that liability insurance is attached and is valid for the pertinent dates of the lease. For two of the schools cited, there was a liability certificate in the Tririga system covering the dates of the events. For two others, the lease was submitted after the fact, so the Leasing Office was unable to proactively ensure that the District is protected. In FY18, an on-line post-training knowledge test will be added to cover this topic. In addition, the 5-year trend data will be evaluated to identify whether there are specific schools that require targeted training.

IV. SEGREGATION OF DUTIES

9. Staff Performing Incompatible Duties

Proper segregation of duties is a key internal control for fiscal accountability to prevent and detect potential irregularities. The audits also found that staff was performing incompatible duties in 21 (12%) of the schools (down from 32 in 2015). Examples included:

- Incoming mail was opened by school treasurer for processing. Incoming mail should be received and opened by a different staff member. Payments, if any, received in the mail should be recorded on a MCR by the staff who opens the mail, prior to recording and dropping off the collection in the drop-safe.
- School treasurer prepared some *Check Requisitions, Monies Collected Reports (MCRs)*, and *Fundraiser Application/Recap Forms* on behalf of the activity sponsors, who should complete the paperwork.
- School treasurer prepared the *Prenumbered Document Inventory Register* for *Drop-safe Logs* and *School Checks* for the assigned document custodian to sign.

Principals rely on school treasurers to inform other staff on the internal controls process to provide assurance that collections and disbursements are properly handled and documented. However, it is ultimately the principals' responsibility to oversee and enforce the rules. Internal controls only work when staff adhere to the procedures. Beginning in Fiscal Year 2013, the District implemented an online mandatory annual training for all staff involved with money handling. School treasurers also receive reinforcement training on rules and documentation at the monthly treasurers' meetings.

We recognize that implementing segregation-of-duties control may sometimes be impractical due to shortage of staffing at some schools. The District should explore other options to ensure staff is properly trained and understands proper internal controls for money handling.

Management's Response:

Management concurs. School treasurers are trained at monthly meetings with regard to duties that should be done by other school staff to maintain internal controls. As mentioned in the IG report, school staffing limitations can present a challenge in some instances. Management will continue to reinforce segregation of duties training for school treasurers and principals.

V. OTHER EMERGING ISSUES

During the 2016 Audits, it has come to the OIG attention that there are four emerging issues related to the Internal Accounts of District schools: (1) access to online training by volunteers for fundraising and money collection procedures, (2) training for sponsors before fundraising activity starts, (3) documentation for give-away items, and (4) signers for *Sections 2 and 3 of Drop-safe Log*.

10. Access to Online Training by District Volunteers

Some Parent Teacher Organizations (PTOs) maintain their funds and financial records within the school's Internal Accounts. These organizations are operated by volunteers who are not District employees. Often they sponsor school fundraisers and collect monies to benefit the school; and some schools' athletic teams are operated by volunteers in lieu of District

employee and sponsor for team activities and fundraisers. It appears the District's current procedures do not address how money collected by volunteers should be handled.

To ensure staff is well informed on updated money handling and fundraising procedures, all internal account sponsors are required to complete the annual online training for the appropriate modules. However, volunteers currently do not have access to the online internal accounts training modules through the District's eLearning Management System.

To ensure internal account sponsors are aware of the up-to-date internal account procedures, the District should develop other options for all sponsors, including volunteers, to complete the required training.

Management's Response:

Management understands that only District employees have access to eLearning Management to view the training videos. Effective FY18, only District employees will be authorized to sign District forms relating to deposits, requisitions and fundraisers. Since each Booster Club has a Faculty Sponsor, the sponsor should be reviewing/completing all necessary paperwork. Regarding PTO/PTAs, the Principal can appoint him/herself as the sponsor or appoint a faculty/staff member to complete paperwork.

11. Training Be Completed Prior to Sponsoring Activity

Both ***Bulletins #P 17-057 CFO*** and ***#P 16-079 COO*** require all teacher/sponsors who transact business within the school internal accounts to complete the appropriate online internal accounts training sessions by December 30 each year. However, many fundraising and money collection activities begin before December 30; and some of them even start on the first day of school. During 2016, fundraising sponsors at 63 (36%) schools did not complete the required online training until after the fundraising activities had begun, including sponsors at 36 (21%) schools were completed before December 31, 2015, and another 41 (23%) completed December 31, 2015.

To ensure staff/sponsors are familiar with and complying with the updated fundraising and money handling procedures, account sponsors should complete the required eLearning training courses prior to conducting the fundraising activity. We recommend the existing Bulletins be amended to require the needed eLearning training be completed by sponsors prior to the start of the fundraising activities. Moreover, staff should communicate with all school staff/sponsors and reinforce the need to complete the required training prior to initiating fundraising activities.

Management's Response:

Effective with the FY18 Bulletin outlining Teacher/Sponsor Training, Management will remove the "completion by" date and require appropriate training be completed prior to beginning an activity that requires training. There will be an exception for any fund raising

that begins during the summer where they could complete FY17 Training and still be in compliance.

12. Documentation for Give-Away Items

Another issue OIG have encountered is related to fundraising resale items that were reportedly given away. Presently, school staff are advised by Accounting, through training sessions, to record on the *Sales Item Inventory Report* the number of items given-away without any explanation and documentation. However, the *Sales Item Inventory Report* is intended to assist staff in reconciling the estimated fundraising revenues with the actual collections. By allowing sponsor to fill in the give-away items without further explanation and support does not provide accountability in protecting school assets; and contradicts the purpose of the use of *Sales Item Inventory Report* for reconciling sales revenues. That defeats the purpose of fundraising activities to benefit student learning. During 2016 Audits, our audit samples found a total of \$30,832 in fundraising items that were noted given-away at 19 schools without any support or documentation.

Although the Principal is required to sign the *Sales Item Inventory Report* to confirm the ending inventory and attest to the items missing, stolen, or given-away, the lack of explanation for items given-away does not serve the best interests of the schools. Some Principals' responses to audit findings indicated that they were instructed by the Accounting Department, through School Treasurer training, that documentation/explanation for given-away items is not necessary, because the Principals have already signed the *Sales Item Inventory Report*.

To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements for gift cards, as specified in *Bulletin #P-14974-COO/P/AS*, which states "*Schools must maintain documentation of all recipients of gift cards.*" A written explanation including the recipients of the items and the reason for providing the items should be part of the fundraiser documentation. This practice should provide better control through the revenue collection reconciliation. It also provides Principals with information in deciding if similar future fundraising activities are warranted.

Management's Response:

The current process for recording fundraising give away items was established by a Principal Committee several years ago. Since that time, the District has required the Principal to verify the accuracy of the Inventory Report. Management is considering requiring additional information when inventory items have a cost of \$25 or more, but would like to discuss the feasibility with a Principal Committee. After discussion, changes could be made to the Sales Item Inventory differentiating 'remaining inventory' and 'given away/missing items' and requiring a brief explanation of those items. Depending upon the cost per unit, additional tracking and documentation could be required.

13. Two Signers for Section 2 of Drop-safe Log

Bulletin #P-14051-S/CFO outlines the procedures for accessing the drop-safe and removing collections from the drop-safe for processing by school treasurer. The **Bulletin** requires that:

(a) Drop-safe Be Opened Jointly by the School Treasurer and Another Staff Member

“The safe may be opened by the principal (who is the only person on campus permitted to have the complete safe combinations) or by the bookkeeper and another staff member (who are permitted to share portions of the safe combination). The contents of the drop safe must be verified by two individuals against the Drop Safe Log.”

(b) School Treasurer and Another Staff to Jointly Empty the Safe

“To empty the safe, one staff member will remove the deposit packets from the safe and call out the teacher names and amounts to the other staff member, who will check that information against the drop safe log. The assisting staff member will complete the second section of the Drop Safe Log by entering the date and their initials.”

However, the instructions/guidelines provided by the Accounting Department require only the independent staff verifier to sign/initial in Section 2 of the *Drop-safe Log* when monies collected were removed from the safe for processing by school treasurer.

It is apparent that signatures from two staff persons will provide better control than just one person who was present to witness the removal of collections by the treasurer from the drop-safe for processing.

For example, during the 2016 Audit of Sunrise Park Elementary, we were informed that the holder (i.e. data processor) of one-half of the drop-safe access combination entered the half combination into the lock system upon arrival at the school in the morning. Then, the school treasurer would enter the other half of the lock combination and remove the collections for processing during the day without the presence of another staff. At this school, only the school treasurer signs *Section 2*.

To further strengthen the money handling procedures, we recommend that the *Drop-safe Log* procedures be amended to require the signatures (or initials) of both staff members who are present when the drop-safe is open and its contents are removed from the safe for processing.

Management’s Response:

Under current procedure, the bookkeeper is the only person on campus permitted to prepare a bank deposit. As such, the bookkeeper should always be present when emptying the contents of the drop safe for a deposit. The additional person initials Section 2 of the Drop Safe Log, verifying their presence for the removal of the deposit items from the drop safe. Management

will create a “Deposit Retrieval from Drop Safe Training” for FY18 that all staff members with all or a portion of the drop safe combination will be required to take to ensure that proper procedures are followed when removing items for deposit from the drop safe. District management is also researching additional measures to expand online payments and reduce cash in schools.

Additional Management Comments:

While District staff continues to enhance both in-person and online training, the prescribed procedures must be implemented with fidelity by school staff to be effective. Towards this end, the Accounting Department is currently working with school principals to provide a comprehensive checklist and reminders that will help them oversee school financial management tasks and improve compliance.

This report is intended for providing the information of the School District to the School Board, Audit Committee, and other interested parties.

Sincerely,

Lung Chiu, CIG, CPA
Inspector General
Office of Inspector General

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Elementary Schools

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**Acreage Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 14200 Orange Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: Amy Dujon
During Audit: Darline Karbowski

Treasurer:
Fiscal Year 2016: Barbara Schumacher
During Audit: Barbara Schumacher

Afterschool Site Director:
Fiscal Year 2016: Jennifer Millar
During Audit: Jennifer Millar

Cash and Investments

Checking	\$ 35,917.84
Investments	
	\$ 35,917.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	373.70	0.00	117.50	66.92	0.00	323.12
Classes	1,791.27	29,160.55	29,234.18	3,439.67	2,884.35	2,272.96
Clubs	254.79	762.32	560.43	273.00	273.00	456.68
Departments	1,485.41	9,168.10	9,421.07	734.79	299.81	1,667.42
Trusts	17,980.92	202,433.44	205,133.79	4,932.32	5,256.90	14,955.99
General	17,415.38	37,906.74	38,347.81	19,486.46	20,219.10	16,241.67
	\$ 39,301.47	\$ 279,431.15	\$ 282,814.78	\$ 28,933.16	\$ 28,933.16	\$ 35,917.84

Acreage Pines Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Addison Mizner Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 199 S.W. 12th Avenue
Boca Raton, FL 33486

Principal:
Fiscal Year 2016: Kelly Burke
During Audit: Kelly Burke

Treasurer:
Fiscal Year 2016: Robin Stewart
During Audit: Robin Stewart

Afterschool Site Director:
Fiscal Year 2016: Steve Robert
During Audit: Steve Robert

Cash and Investments

Checking	\$ 62,901.28
Investments	
	\$ 62,901.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5,329.56	0.00	400.00	0.00	0.00	4,929.56
Classes	592.07	41,197.85	37,478.99	758.62	4,582.31	487.24
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	18,884.18	29,463.95	28,748.99	4,001.59	4,001.59	19,599.14
Trusts	69,131.13	1,036,839.60	1,061,646.06	33,602.16	37,946.68	39,980.15
General	6,712.68	(2,619.46)	14,356.24	8,469.46	301.25	(2,094.81)
	\$ 100,649.62	\$1,104,881.94	\$1,142,630.28	\$ 46,831.83	\$ 46,831.83	\$ 62,901.28

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that *Section 3* of the *Drop-safe Log* (page #12-60737) was not signed by an independent staff verifier to confirm that the collections had been recorded in the General Ledger by the treasurer.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, (1) the treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing, and (2) the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. The staff member knows how to fill in receipt numbers and initial the DSL, as you can see by every other log. This was an honest mistake. The staff member must have got pulled away with another "duty", forgetting to sign. At the exit interview, we didn't think this was going to be a finding. Regardless, we will monitor it more closely in the future.

**Allamanda Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 10300 Allamanda Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2016: Marilu Garcia
During Audit: Marilu Garcia

Treasurer:
Fiscal Year 2016: Millie Graff
During Audit: Millie Graff

Afterschool Site Director:
Fiscal Year 2016: Frances Grenon
During Audit: Frances Grenon

Cash and Investments

Checking	\$ 57,155.64
Investments	
	\$ 57,155.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	517.71	0.00	240.00	0.00	0.00	277.71
Classes	5,007.64	8,959.48	10,618.40	2,425.25	2,587.28	3,186.69
Clubs	279.08	59.10	138.86	0.00	23.62	175.70
Departments	3,176.74	11,377.92	11,971.40	6,083.55	6,083.55	2,583.26
Trusts	31,043.91	405,846.39	389,230.88	4,845.00	4,845.00	47,659.42
General	2,428.49	3,152.86	2,494.14	3,712.65	3,527.00	3,272.86
	\$ 42,453.57	\$ 429,395.75	\$ 414,693.68	\$ 17,066.45	\$ 17,066.45	\$ 57,155.64

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records revealed that Disbursement #15503 (for \$1,527.26) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*

Recommendation

Disbursements should be administered in accordance with **Internal Accounts Manual** and related District guidelines. Specifically, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) *Purchase Order* should be issued for purchase in excess of \$1,000.

Management's Response

Concur. A purchase order will be issued for any purchases in excess of \$1,000 and will have prior principal's approval.

**Banyan Creek Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4243 Sabal Lake Drive
Delray Beach, FL 33445

Principal:
Fiscal Year 2016: William J. Fay, Jr. / Allison Castellano
During Audit: Allison Castellano

Treasurer:
Fiscal Year 2016: Janie Ochacher
During Audit: Janie Ochacher

Afterschool Site Director:
Fiscal Year 2016: Gale Allen
During Audit: Gale Allen

Cash and Investments

Checking	\$ 93,972.63
Investments	
	\$ 93,972.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	30.00	0.00	0.00	0.00	30.00	0.00
Classes	6,588.73	60,757.65	56,910.30	9,555.73	9,841.96	10,149.85
Clubs	16,795.35	28,812.92	29,165.70	7,254.83	7,236.83	16,460.57
Departments	853.39	4,653.42	2,881.14	52.15	0.00	2,677.82
Trusts	50,773.09	570,901.26	560,026.53	26,763.18	27,173.83	61,237.17
General	1,313.71	2,658.36	1,181.58	656.73	0.00	3,447.22
	\$ 76,354.27	\$ 667,783.61	\$ 650,165.25	\$ 44,282.62	\$ 44,282.62	\$ 93,972.63

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that Lease #1001 was for the use of facilities during August 2 through 30, 2015. Our review of the records noted that:

- The *Lease Agreement* was neither approved by the Principal nor signed by the lessee or witness until August 5, 2015, three days after the leasehold period had begun.
- Charges for the lease were not collected prior to the use of facilities. \$1,100 of the total \$2,225 lease charge was collected on August 5, 2015; the remaining \$1,125 was collected on September 8, 2015, three and 26 working days late, respectively.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, *Lease Agreements* should be properly signed with all the required signatures prior to the use of facilities by lessees.
- *School Board Policy 7.18* requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. Although I was not principal at the time of this finding, I took action immediately after it was brought to my attention.

**Barton Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1700 Barton Road
Lake Worth, FL 33460

Principal:
Fiscal Year 2016: Denise Sanon
During Audit: Denise Sanon

Treasurer:
Fiscal Year 2016: Diane Witherspoon
During Audit: Diane Witherspoon

Cash and Investments

Checking	\$ 18,418.94
Investments	
	\$ 18,418.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	5,493.42	6,675.50	9,410.14	537.59	537.59	2,758.78
Clubs	2,875.29	8,429.14	6,416.70	3,483.20	3,707.72	4,663.21
Departments	2,263.00	4,649.60	4,916.31	141.29	141.29	1,996.29
Trusts	8,423.43	45,099.78	47,773.50	1,247.52	1,400.68	5,596.55
General	1,965.25	11,346.00	10,284.82	1,938.27	1,560.59	3,404.11
	\$ 21,020.39	\$ 76,200.02	\$ 78,801.47	\$ 7,347.87	\$ 7,347.87	\$ 18,418.94

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that

- 32 pages of the *Drop-safe Logs* were not completed with all the required information. Specifically,
 - *Section 3* for all 32 *Log* pages were not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System
 - Three pages of the 32 *Log* pages (#14-08298, #14-08302 and #14-08303) did not have the receipt numbers.
 - *Section 2* on eight pages of the 32 *Logs* (#14-08248, 14-08249, 14-08251, 14-08254, 14-08257, 14-08258, 14-08259, and 14-08274) did not have the dates collections were removed from the safe.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Meeting with the Drop-safe Log custodian and Treasurer to review findings of the audit report. Moving forward all mentioned findings were addressed ensuring that the current drop-safe logs were in compliance.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that:

- A total of \$1,000 in unrelated expenditures was included in the Catalog Sales Account (#7-0100.01).

- The Recap Section (actual sales) of the *Fundraising Application/Recap Form* for the Yearbook Sales fundraiser (Account #7-0100.5) was not verified by the school treasurer after the fundraiser event.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.
- The fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser application/Recap Form* at the end of the fundraiser. The sales revenues should be reconciled to the Internal Funds accounting records.

Management's Response

Concur. A meeting with sponsors of the mentioned fundraising catalog sales on the recap needs more information on the \$1,000.00 expenditures to resolve this finding. School treasurer will ensure that all fundraising documents will be signed at the close of the fundraising.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Disbursement #3384 (\$610) was for payment for a book author's visit at the school on April 14, 2016. This disbursement was supported by a *School District Consultant Agreement (PBSD 1420)*, however, the required itemized invoice was missing.
- Disbursement #4168 (\$79.42) did not have the Principal approved *Check Requisition*.
- Disbursement #4173 (for \$867.50) was for the purchase of yearbooks. This disbursement was supported by a contract that was not signed.
- Supporting documents for two sample disbursements (#3376 and #4173), totaling \$1,867.50, were not defaced after payments.
- Disbursement #3307 for \$312.72 included \$16.25 in sales tax for a qualified tax-exempt purchase.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. The issuance of a school check should be supported by the Principal's approved *Check Requisition*. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- All contracts should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states "*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*"
- To avoid duplicated payments, supporting documentation should be defaced (stamped "PAID") after payment was made.
- The School District is a government entity exempted from paying sales tax. It should not pay sales tax for qualified purchases.

Management's Response

Concur. A meeting with school treasurer to review audit finding and going forward ensure all findings do not recur. The checks mentioned that were not defaced in the audit finding, were defaced when I reviewed the items on the audit.

PRENUMBERED DOCUMENTS (Repeat Finding)

Finding

The review of controls in prenumbered documents found that the school did not maintain a *Prenumbered Document Inventory Register (PBSD 0160)* for the *Drop-safe Logs*.

Recommendation

To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *Drop-Safe Logs*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the forms.

Management's Response

Concur. A meeting with the Drop-safe Logs custodian about the findings on the prenumbered documents was addressed and moving forward a new person was assigned as the custodian and was trained.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that the school had one leasing arrangement (*Lease Agreement #1001*). However,

- The school did not have the hard copy of the *Lease Agreement* with all the required signatures.
- The Central Office's portion of the rental income and sales tax collected from Lease #1001 was not properly allocated. Instead the income was recorded in the Rental Income Account (#6-3800). As a result, the school under-transmitted the \$42 in District Share and \$7.20 in taxes to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording the leasing activities in the Tririga System.
- The Central Office's portion of rental income and sales tax should be recorded in the respective Internal Funds accounts and transmitted to the Central Office in accordance with the District's *Approved Rate Schedule*.

Management's Response

Concur. A meeting with schools secretary to ensure that the once a year lease is executed in accordance with the school board policy.

Beacon Cove Intermediate School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 150 School House Road
 Jupiter, FL 33458

Principal:
 Fiscal Year 2016: Leslie Bolte
 During Audit: Leslie Bolte

Treasurer:
 Fiscal Year 2016: Catherine Steveson
 During Audit: Catherine Steveson

Afterschool Site Director:
 Fiscal Year 2016: Jane Winters
 During Audit: Jane Winters

Cash and Investments

Checking	\$ 63,796.65
Investments	
	\$ 63,796.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	13,664.66	46,768.00	47,182.64	20,867.52	20,617.52	13,500.02
Classes	0.00	106,177.40	101,677.37	904.80	5,404.83	0.00
Clubs	7,767.69	13,298.50	8,609.45	6,725.92	15,747.01	3,435.65
Departments	21,271.68	34,081.50	43,569.02	15,116.47	10,160.28	16,740.35
Trusts	42,812.27	655,814.71	679,742.13	16,658.75	16,399.81	19,143.79
General	12,663.19	15,438.79	25,181.13	16,403.79	8,347.80	10,976.84
	\$ 98,179.49	\$ 871,578.90	\$ 905,961.74	\$ 76,677.25	\$ 76,677.25	\$ 63,796.65

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The school's *2016 End-of-the-Year Check-Out Form* instructed staff to drop the yellow copies of MCRs in a box in the mail room. However; the treasurer is responsible for securing and storing the box of yellow MCRs with her records at the end of the school year.
- During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer. However, treasurer opened mails addressed to her.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*" The school should update its *End-of-Year Checklist* to ensure the instructions are consistent with the District's procedures.
- To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to putting the payment in the drop-safe for deposit.

Management's Response

Concur. Duties of the front office have been reassigned and that will be indicated on the end-of-year checklist.

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Band Coupon Book Sales (Account #2-1000.01) began August 21, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until March 18, 2016; i.e., seven months after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Before signing off on a fundraiser the question of training will be asked, however there are times that we need to do paperwork for fundraisers and updated training is not ready on eLearning. Records and signatures for gift cards are kept and a procedure is in place for this.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Two P-card purchases (totaling \$765.81) occurred on February 1 and 9, 2016. These purchases were supported by the total pages of invoices but did not include the purchase details.
- A February 4, 2016, P-Card purchase (for \$1,200) for After School Program catering, exceeded the \$1,000 per vendor daily limit without obtaining prior approval from the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the District's related guidelines. Specifically,

- School expenditures should be adequately supported by itemized invoices/receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- As required by *Purchasing Card Procedures*, P-Card purchase in excess of \$1,000 requires prior approval of the Purchasing Department.

Management's Response

Concur. We will continue to make all efforts to get the itemized receipts.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- The signatures of the lessee and the witness were not dated on *Lease Agreement #1026*. Moreover, the principal's approval date was not printed on this *Agreement*.
- Lease #1005 was for weekly use of the facility during the school year. However, the monthly charge for February 2016 (\$84.80), was not collected until February 17, 2016.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- *School Board Policy 7.18*, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management's Response

Concur. Procedure in place to double check lease start dates, signatures and payments.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool Program records found that one student received a school-based partial fee waiver without providing the required documentation justifying the fee waiver.

Recommendation

School-based fee waivers should be adequately documented, approved by the Principal, and periodically reviewed by the school in accordance with the *Afterschool Programs Operational Manual*.

Management's Response

Concur. Procedure in place to review all documentation prior to fee waiver.

**Belle Glade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 500 N.W. Avenue "L"
Belle Glade, FL 33430

Principal:
Fiscal Year 2016: Robera Walker-Thompson
During Audit: Robera Walker-Thompson

Treasurer:
Fiscal Year 2016: Jazmyn Shirley
During Audit: Jazmyn Shirley

Cash and Investments

Checking	\$ 18,961.64
Investments	
	\$ 18,961.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	17,213.06	15,160.82	535.35	2,587.59	0.00
Clubs	5,123.27	3,160.00	7,593.11	5,292.08	392.00	5,590.24
Departments	1,636.97	5,378.13	4,727.18	1,179.03	1,179.03	2,287.92
Trusts	12,790.59	75,518.10	72,076.87	9,415.26	14,640.69	11,006.39
General	1,622.93	3,170.64	7,094.07	2,377.59	0.00	77.09
	\$ 21,173.76	\$ 104,439.93	\$ 106,652.05	\$ 18,799.31	\$ 18,799.31	\$ 18,961.64

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that:

- Two pages of the *Drop-safe Log* (12-64369 and 12-64375) from Fiscal Year 2017 were missing. The two missing pages should contain information for monies collected during November 9 through November 14, 2016, and December 12, 2016.
- Collections were not always deposited into the drop-safe in a timely manner. For example, a total of \$1,300 collected through six MCRs was retained by the sponsor for three working days before putting the money into the drop-safe for deposit.
- Monies were not always deposited into the bank in a timely manner. For example, \$4,102.20 collected through 29 MCRs was not timely processed by the school treasurer and deposited into the bank until six to 18 working days after collection.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, "Completed Drop Safe Logs must be filed sequentially in numerical order in a binder and retained for five years."
- *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* and the District's *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase exposure to staff and result in potential irregularities.

Management's Response

Concur. Bookkeeper policy and procedure has been reviewed with bookkeeper to ensure that all funds are deposited in a timely manner.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The sponsor for the Mother Day Cake Sales fundraiser did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.
- Fundraising documentation was not prepared for the Spirit T-shirt Sales (Account #6-0300.19). Staff repeating this finding in future audits will be forwarded to the Office of Professional Standards for further actions.
- The following fundraisers did not complete the required *Sales Item Inventory Report*: (1) Mother's Day Cake Sales (Account #6-0300.22) and (2) Safety Patrol Candy Sales (Account #6-4000.01). Staff repeating this finding in future audits will be forwarded to the Office of Professional Standards for further actions.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing.

Management's Response

Concur. Drop Safe Logs were misplaced while obtaining new bookkeeper. Currently working to locate logs. Any staff member sponsoring fundraisers will be required to successfully complete and print out the fundraiser Training Course. Documentation will be given to bookkeeper to file.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records revealed that

- Disbursement #10543 for \$1,045.66 was payment for school T-shirts. The disbursement was inadequately supported with a quote instead of an invoice. Additionally, seven P-Card purchases (totaling \$357.72) did not have adequate supporting documentation indicating the purpose (business or

educational) for these purchases.

- Disbursement #10586 (for \$ 995) was for purchase of the yearbooks. However, the disbursement was supported by an agreement signed by the sponsor instead of the principal.

Recommendation

Disbursements should be administered in accordance with **Internal Accounts Manual** and related District guidelines. Specifically,

- Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically, to ensure proper fiscal accountability, an additional handwritten explanation should be included when the business purpose is not obvious on the printed invoice or receipt.
- All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management’s Response

Concur. Bookkeeper will double check each check to ensure that all checks are paid out with invoices and not quotes. Policy and procedure has been reviewed to ensure no staff member other than principal signs any contracts.

Belvedere Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 3000 Parker Avenue
 West Palm Beach, FL 33405

Principal:
 Fiscal Year 2016: Diane Mahar
 During Audit: Diane Mahar

Treasurer:
 Fiscal Year 2016: Adis Garcia
 During Audit: Adis Garcia

Afterschool Site Director:
 Fiscal Year 2016: Connie Abston
 During Audit: Connie Abston

Cash and Investments

Checking	\$ 26,416.59
Investments	
	\$ 26,416.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	15.00	0.00	0.00	0.00	15.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	639.56	10,175.15	10,175.14	0.01	0.01	639.57
Trusts	29,588.49	94,474.03	102,026.34	1,999.95	2,430.45	21,605.68
General	6,403.93	9,797.40	12,475.49	1,628.89	1,183.39	4,171.34
	\$ 36,646.98	\$ 114,446.58	\$ 124,676.97	\$ 3,628.85	\$ 3,628.85	\$ 26,416.59

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that the *Drop-safe Logs* for Fiscal Year 2016 were not always completed with all the required information. Specifically,

- *Section 3* was not always completed with the receipt number generated by the accounting software. Instead, the deposit and form number were recorded.
- *Sections 2 and 3* of page #14-24253 of the *Logs* did not have the initials of the verifiers.
- The school secretary was the assigned custodian for the *Drop-safe Log*. However, the school treasurer retained custody of the blank *Drop-safe Logs*.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and compliance with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- To prevent potential irregularities, segregation of duties should be enforced. The school's assigned document custodian for the *Drop-safe Log* should (1) maintain the blank *Drop-safe Log*, and (2) use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm and account for the inventory of the *Log*.

Management's Response

Concur. Changes have already been made to these procedures.

AFTERSCHOOL PROGRAM

Finding

The review of the Afterschool Program records found that the *Student Registration Forms* for two sampled students were not completed with all the required information. Pertinent information related to custody and emergency contact was not included.

Belvedere Elementary School
Management Letter
Year Ended June 30, 2016

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically, *Afterschool Programs Registration Forms* should be completed with the needed information, and signed and dated by the parents/guardians for all students.

Management's Response

Concur.

Additional Comments

The Afterschool Director is the only full time person. There is no back up. I honestly thought the Afterschool Department monitored the collection of funds. If I am supposed to monitor it than I need a way to do that. My Treasurer tells me she can't monitor it either.

**Benoist Farms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1765 Benoist Farms Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Ruthann Miller
During Audit: Ruthann Miller

Treasurer:
Fiscal Year 2016: Robin McLaughlin
During Audit: Robin McLaughlin

Afterschool Site Director:
Fiscal Year 2016: Calvin Lewis
During Audit: Calvin Lewis

Cash and Investments

Checking	\$ 10,438.36
Investments	
	\$ 10,438.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	198.91	318.65	410.20	3.45	3.45	107.36
Classes	595.67	250.00	335.21	220.00	405.67	324.79
Clubs	257.18	1,895.50	1,108.44	706.35	1,036.35	714.24
Departments	1,135.74	4,020.39	4,666.93	0.00	0.00	489.20
Trusts	15,561.59	128,989.18	137,094.44	5,538.33	5,231.33	7,763.33
General	857.55	2,550.44	2,577.22	351.17	142.50	1,039.44
	\$ 18,606.64	\$ 138,024.16	\$ 146,192.44	\$ 6,819.30	\$ 6,819.30	\$ 10,438.36

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraisers found that the sponsor for the Yearbook fundraiser did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. The Sponsor will print out certificate of completion before Principal approves fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that Disbursement #11010 (for \$1,237.50) was for purchase of yearbooks. However, the related agreement was signed by the treasurer, instead of the Principal.

Recommendation

Contractual agreements should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management's Response

Concur. Principal will always sign official documents.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreements* were not always properly executed with all the signatures in a timely manner. Leases #1008 and #1014 were not approved by the principal until eight and three days, respectively, and the lessee did not sign Lease #1008 until 23 days after the leasehold period began. The lessee for Lease #1014 did not date their signature.

Benoist Farms Elementary School
Management Letter
Year Ended June 30, 2016

- Lease agreement #1008 was neither approved by the Principal nor signed by the lessee until 8 and 23 days respectively after the leasehold period began. Furthermore, \$274.60 in leasing charges were not collected until 24 days after the lessee had begun using the facilities
- Leasing charges for two leases (#1008 and #1014) were not collected prior to the use of facilities. Delays ranged from three to 24 days.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District and ensure Lease Agreements are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.
- *School Board Policy 7.18*, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. AP will review district training video to assist with the above findings.

**Berkshire Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1060 South Kirk Road
West Palm Beach, FL 33406

Principal:
Fiscal Year 2016: Diana Perez
During Audit: Diana Perez

Treasurer:
Fiscal Year 2016: Brizeida Lora
During Audit: Brizeida Lora

Afterschool Site Director:
Fiscal Year 2016: Josephine Costa
During Audit: Gaetanne Breus

Cash and Investments

Checking	\$ 45,529.66
Investments	
	\$ 45,529.66

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	70.74	24,032.71	24,356.95	3,688.08	2,885.94	548.64
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	8,507.42	25,350.20	25,029.35	0.00	0.00	8,828.27
Trusts	20,424.46	585,796.90	575,073.80	26,524.32	27,350.62	30,321.26
General	8,217.92	21,288.38	23,698.97	12,687.44	12,663.28	5,831.49
	\$ 37,220.54	\$ 656,468.19	\$ 648,159.07	\$ 42,899.84	\$ 42,899.84	\$ 45,529.66

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that *Section 3* of three *Drop-safe Logs* (prepared during March 2016 for #12-02441, 12-02442, and 12-02443) contained 31 collection records not signed by an independent staff verifier. This independent staff was to verify the recording of the collections by the school treasurer in the General Ledger.

Recommendation

To ensure proper fiscal accountability and compliance with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, Section 3 of the *Drop-safe Log* should be completed by staff. This section should include the receipt number generated by the SchoolCash system, notations for any variance between the sponsors' record on the *Drop-safe Log* and the amount of monies counted, and the signature/initial of the independent staff who verified the recording of the collections in the General Ledger.

Management's Response

Concur. Assigned a new Document Custodian.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Safety Patrol Chocolate Fundraiser (Account #6-4000.01) did not have the required *Sales Item Inventory Report*.
- The School Store T-shirt Sales (Account #7-0100.01) had a total sales revenue of \$7,023.10, which was deposited into the Internal Funds during the period July 1, 2015, through June 30, 2016. The *FY15 Sales Item Inventory Report* indicated that there were 81 T-Shirts in ending inventory, but only 25 T-Shirts were noted as beginning inventory on the *FY16 Sales Item Inventory Report*. Based on the school's purchasing records and the *Sales Item Inventory Reports* for School Years 2015 and 2016, this fundraiser should have generated a total estimated revenue of \$7,490. As a result, \$466.90 (\$7,490.00 - \$7,023.10) in estimated revenue was unaccounted for.

Berkshire Elementary School
 Management Letter
Year Ended June 30, 2016

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽³⁾	Inventory On Hand ⁽³⁾	Units Sold		
T-shirts	81	1,210	0	221	1,070	\$7	\$7,490.00

Total \$ Deposited into Internal Funds \$7,023.10
Estimated Revenues Unaccounted For \$466.90

- (1) Based on *FY15 Sales Item Inventory Report*.
- (2) Based on purchasing records during July 1, 2015, through June 30, 2016.
- (3) Based on *FY16 Sales Item Inventory Report*

- The *Sales Item Inventory Report* for the Dictionary Sales (Account # 7-0100.07) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- To ensure proper fiscal accountability, the *Sales Item Inventory Report* should be completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away.

Management's Response

Concur. Assigned to a staff member for T-shirt sales. Principal approves all sales.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that *Lease Agreement* #1010 was neither signed by the lessee nor a witness.

Recommendation

All *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Berkshire Elementary School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Treasurer will ensure all leases have required signatures.

Binks Forest Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 15101 Bent Creek Road
Wellington, FL 33414

Principal:
Fiscal Year 2016: Michella Levy
During Audit: Michella Levy

Treasurer:
Fiscal Year 2016: Lisa Molbogot
During Audit: Lisa Molbogot

Afterschool Site Director:
Fiscal Year 2016: Leila Truitt
During Audit: Samantha Greene

Cash and Investments

Checking	\$ 150,741.94
Investments	
	\$ 150,741.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	860.52	285.00	0.00	0.00	0.00	1,145.52
Classes	19,258.15	106,801.12	111,558.43	16,628.91	12,140.33	18,989.42
Clubs	4,054.96	35,505.90	35,512.52	777.51	1,024.25	3,801.60
Departments	11,114.45	31,306.79	35,566.43	8,905.01	8,863.57	6,896.25
Trusts	82,919.86	835,041.18	831,572.93	38,020.72	32,294.40	92,114.43
General	30,177.61	54,167.23	46,540.52	11,448.41	21,458.01	27,794.72
	\$ 148,385.55	\$1,063,107.22	\$1,060,750.83	\$ 75,780.56	\$ 75,780.56	\$ 150,741.94

AFTERSCHOOL PROGRAM

Finding

The school's Summer Camp Program ended on August 5, 2016. However, as of September 14, 2016, the program had a total accounts receivable of \$6,224.23 from 20 students.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Summer Camp Programs Operational Manual*.

Management's Response

Concur. Payments are being collected for the delinquent summer camp accounts. The program has a total of \$1,089.23 outstanding as of January 9, 2017. At the time of summer camp, parents stated that payments were made online. Since we do not have access to that information until the reports are distributed from District, we allow the students to start camp. As a result, some parents are mistaken when they say payments were made or not made in full.

**Boca Raton Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 103 S.W. 1st Avenue
Boca Raton, FL 33432

Principal:
Fiscal Year 2016: Renee Elfe
During Audit: Renee Elfe

Treasurer:
Fiscal Year 2016: Tanya Hixson
During Audit: Tanya Hixson

Afterschool Site Director:
Fiscal Year 2016: Patricia Jackson
During Audit: Tamara Pierre

Cash and Investments

Checking	\$ 14,632.53
Investments	
	\$ 14,632.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	25.92	491.00	433.15	174.66	174.66	83.77
Classes	100.32	1,196.00	1,092.00	65.04	269.36	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	3,525.79	8,101.33	9,411.78	827.10	847.10	2,195.34
Trusts	14,618.72	114,520.57	120,787.42	7,472.75	5,343.33	10,481.29
General	2,117.66	10,197.05	8,537.48	3,094.34	4,999.44	1,872.13
	\$ 20,388.41	\$ 134,505.95	\$ 140,261.83	\$ 11,633.89	\$ 11,633.89	\$ 14,632.53

SEGREGATION OF DUTIES

Finding

The school treasurer was performing incompatible duties. Specifically,

- The school secretary was the assigned custodian for the *Drop-safe Log*. However, the school treasurer had custody of the blank *Drop-safe Log*. In addition, the treasurer, instead of the secretary, was performing the monthly inventory of the *Log* and preparing the *Prenumbered Document Inventory Register (PBSD 0160)* for the secretary's signature to confirm the completion for the required monthly inventory.
- The *Document Custodian Assignment Register (PBSD 1663)* indicated that the school treasurer was the assigned custodian of the school checks. Moreover, the *Document Custodian Assignment Register* was not signed by the Principal.

Recommendation

To ensure fiscal accountability and prevent potential irregularities. Segregation of duties should be enforced. Specifically,

- The school's assigned document custodian for the *Drop-safe Log* should (1) maintain the blank *Drop-safe Log*, and (2) use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm and account for the inventory of the *Log*.
- As required by *Chapter 27 of the Internal Account Manual*, the document custodian for each prenumbered form should be someone who is not involved in the day-to-day use of the document. The assignment of designated staff should be recorded on the *Document Custodian Assignment Register (PBSD 1663)* and approved by the Principal.

Management's Response

Concur. A document custodian has been assigned who is not involved with the day to day use of the document. The document custodian will maintain Drop-safe log and use prenumbered document inventory register to confirm and account for inventory in the log.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The sponsors of the following three fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Yearbook Sales	#7-0100.03	2/1/2016	Did not complete
Jamba Juice Cards	#6-4000.07	10/27/2015	2/5/2016
Movie Night	#6-4000.01	11/21/2015	2/9/2016

- The Recap Section (actual sales) of the *Fundraising Application/Recap Form* for the Yearbook Sales (Account #7-0100.01) was not completed by the sponsor or verified by the bookkeeper after the fundraiser event was completed.
- The Application Section (estimated sales) of the *Fundraising Application/Recap Form* for the Movie Night fundraiser (Account #6-4000.01) indicated anticipated total sales of \$500 - \$600. *Internal Accounts Manual, Chapter 26*, requires “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*” However, the sponsor did not complete the required *Ticket Sellers Report*.
- The following three fundraisers did not have the required *Sales Item Inventory Report*: (1) Jamba Juice Cards, (2) Yearbooks Sales, and (3) Movie Night.

Recommendation

Fundraisers should be managed in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- The fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser Application/Recap Form* at the end of the fundraiser. The sales revenues should be reconciled to the Internal Funds accounting records.
- Prenumbered tickets should be used to account for admissions in accordance with *Internal Accounts Manual, Chapter 26*. *Ticket Sellers Report* should be completed with accurate information for ticket sales in order for staff to reconcile the sales revenues with the estimated revenues. Significant discrepancies, if any, should be investigated and resolved accordingly.

- To protect the school's best interest and ensure proper fiscal accountability, a *Sales Item Inventory Report* should be accurately completed with all needed information. An accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts, if any, should be investigated and resolved accordingly.

Management's Response

Concur. Fundraisers will be managed according to school board policy 2.16 and all recommendations will be followed closely.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursements #10656 and #10658 (totaling \$1,263) were for purchase of a mural painting. However, the disbursements were supported by a price quote from the vendor instead of an itemized invoice or receipt. In addition, this disbursement did not have the required *School District Consultant Agreement (PBSD1420)*.
- Disbursement #10736 (for \$240) was payment for an in-house science demonstration. However, the engagement of the consultant did not have a *School District Consultant Agreement (PBSD 1420)*.
- Three disbursements (#10697 for \$1,501.50, #10713 for \$1,150, and #10762 for \$2,562.75) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Four disbursements (#10713 for \$1,150.00, #10727 for \$197.50, #10733 for \$822.01, and #10736 for \$240) did not have the required *Check Requisitions* approved by the account sponsors and principal. Additionally, Disbursement #10733 was supported by a statement that did not have the details of the items purchased.
- Disbursement #10718 (for \$1,525.00) was for payment to a consultant for an in-house performance. The disbursement was supported by a *Purchase and Sales Agreement* signed by the sponsor in lieu of the Principal.

- The supporting documentation for payments of 15 sample disbursements totaling \$23,858.17 were not defaced (Stamped “PAID”) after payment was made.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant’s background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- Pursuant to the District’s *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal’s approval prior to the purchase, and (2) *Purchase Orders* should be issued for purchases in excess of \$1,000.
- To ensure purchases are appropriate, approval for expenditures should be (1) adequately documented with the Principal’s approved *Check Requisitions*, and (2) supported by itemized invoices and receipts.
- Contractual agreements should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- To avoid potential duplicated payments, supporting documentation for payments should be defaced (stamped “PAID”) after payment was made.

Management’s Response

Concur. All disbursements will be administered in accordance with Internal Accounts Manual and related District guidelines. All recommendations will be closely followed.

**Calusa Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2051 Clint Moore Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2016: Jamie Wyatt
During Audit: Dianne Rivelli-Schreiber

Treasurer:
Fiscal Year 2016: Lynda Kramer
During Audit: Lynda Kramer

Afterschool Site Director:
Fiscal Year 2016: Laurie Ostrow
During Audit: Laurie Ostrow

Cash and Investments

Checking	\$ 63,028.50
Investments	
	\$ 63,028.50

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,944.13	4,280.00	5,586.01	1,230.95	722.95	1,146.12
Classes	4,795.35	49,027.78	50,511.05	14,413.97	13,086.31	4,639.74
Clubs	2,587.90	1,845.00	2,151.69	1,745.00	1,903.29	2,122.92
Departments	9,512.90	19,814.20	17,193.01	9,819.80	8,733.51	13,220.38
Trusts	30,085.92	784,310.40	779,023.14	34,471.49	36,461.84	33,382.83
General	10,051.21	29,524.11	30,285.50	14,091.33	14,864.64	8,516.51
	\$ 58,977.41	\$ 888,801.49	\$ 884,750.40	\$ 75,772.54	\$ 75,772.54	\$ 63,028.50

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that Disbursement #12190 (for \$1,120.00) was for payment of an In-House Field Trip. However, this field trip did not have the *Field Trip/Activity Planning Report and Approval Request Form* (PBSD 1894).

Recommendation

Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* must be completed by the sponsor and pre-approved by the Principal for each field trip.

Management's Response

Concur. For the FY17 school year, all field trips will have the proper forms completed and pre-approved by me, the Principal.

**Cholee Lake Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6680 Dillman Road
Greenacres, FL 33413

Principal:
Fiscal Year 2016: Marline Campbell
During Audit: Marline Campbell

Treasurer:
Fiscal Year 2016: LaSonya Martin
During Audit: LaSonya Martin

Afterschool Site Director:
Fiscal Year 2016: Joycelyn Cardona
During Audit: Joycelyn Cardona

Cash and Investments

Checking	\$ 29,105.45
Investments	
	\$ 29,105.45

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,365.56	7,586.86	6,393.85	2,800.91	2,805.91	2,553.57
Classes	6,548.79	57,309.28	55,679.31	19,420.31	19,073.96	8,525.11
Clubs	2,793.81	6,134.05	5,342.07	4,001.50	4,342.85	3,244.44
Departments	2,641.59	20,319.90	18,869.66	3,227.20	3,227.20	4,091.83
Trusts	5,670.72	206,809.79	203,931.10	14,114.04	14,114.04	8,549.41
General	4,499.99	4,730.72	7,089.62	2,594.73	2,594.73	2,141.09
	\$ 23,520.46	\$ 302,890.60	\$ 297,305.61	\$ 46,158.69	\$ 46,158.69	\$ 29,105.45

DEPOSIT OF MONIES

Finding

Due to the extensive noncompliance with the internal control procedures for money collections, we were unable to determine if all money recorded on the *Drop-safe Log* was deposited.

The review of money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that:

- There were numerous noncompliances related to *Drop-safe Log* procedures. Specifically,
 - *Section 2, and 3* on 21 pages of the *Drop-safe Log* (for 49 collections totaling \$35,031.65) did not always have the proof that an independent verifier was present to verify the deposit information. Some entries were left blank without receipt information or some were notated “Do Not Count - PTA Money.” The same finding was noted in the prior year (2015) audit.

Other entries were notated “Gave to Sponsor to Count,” indicating money collected by classroom teachers for some fundraisers were removed from the safe by the treasurer and given to the fundraiser sponsor. No documentation was maintained to indicate that the monies removed from the drop-safe were received by the sponsor. The sponsor would consolidate the collections and re-deposit the funds into the drop-safe for processing. However, no *Official Receipt* was issued to the classroom teacher who collected the funds.
 - Some sponsors did not always record the deposit information on the *Drop-safe Log* before putting the monies into the safe. For example, a total of \$16,399 from 14 collections were not recorded on the *Log*. The same finding was noted in the prior year (2015) audit.
 - Five pages of the *Drop-safe Log* (pages 12-65834 through 12-65837, and 14-20790) were missing. Subsequently, the auditor found the pages were filed with the documentation for Deposits #617 and #640.
 - The *Official Receipts* for Deposit #617 were not issued to the sponsors. Instead, they were still attached to *Drop-safe Log* page #14-20790 with the deposit documentation. Moreover, *Sections 2 and 3* on *Log* page 14-20790 did not have the date when the money was removed from the safe, the treasurer’s and verifier’s initials, and the receipt numbers.
 - The pages of the *Drop-safe Log* were not maintained in a binder in sequential order by page number. Instead, the *Log* was found in the treasurer’s Internal Funds records in a file folder.
- The school treasurer was performing incompatible duties. Specifically,
 - Incoming mails were sorted and distributed by someone other than the treasurer. However, those mails addressed to the treasurer were opened by her for processing.
 - In addition to maintaining the Internal Funds records, the treasurer also prepared some *Fundraiser Application/Recap Forms*.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, “*Completed Drop Safe Logs must be filed sequentially in numerical order in a binder and retained for five years.*” Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*. The treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- To prevent potential irregularities, segregation of duties should be enforced. Specifically,
 - Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report (MCR)* by the staff who opens the mail, prior to putting the collections in the drop-safe for deposit.
 - Certain functions, such as preparation of *Fundraiser Application/ Recap Forms*, should be performed by the activity sponsors, instead of the bookkeeper.

Management’s Response

Concur. Principal met with both treasurer and secretary to discuss more stringent procedures to follow relating to drop safe log. Assistant Principal will review each log for compliance.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsor for the following two fundraisers did not complete the eLearning Fundraiser Training Course during Fiscal Year 2016: Yearbook Sales and the School Shirt Sales. In addition, the sponsor for the Safety Patrol Chocolate Sales did not complete the eLearning Fundraiser Training Course prior to conducting the fundraising activities.

Cholee Lake Elementary School
Management Letter
Year Ended June 30, 2016

- The Fundraiser Application/Recap Form the Safety Patrol Chocolate Sales (Account #6-4000.01) was not approved by the Principal. Moreover, as indicated by the sponsor on the *Sales Item Inventory Report*, a total of 1,717 of chocolate bars (with estimated resale value of \$1,717) were given-away free of charge without records documenting the purposes and the recipients for these free items.
- The *Sales Item Inventory Report* for the Yearbook Sales (Account #7-0100.03) indicated that 67 Yearbooks (with estimated resale value of \$1,340) were given-away free of charge without records documenting the purposes and the recipients for these free yearbooks.
- \$2,138 in sales revenues for the School Shirt Sales was deposited into the Internal Funds (Account #7-0100.01). However, we could not verify the purchase of 221 shirts as indicated on the *Sales Item Inventory Report*. Because of inaccurate and incomplete documentation we were unable to verify the revenue for School Shirt Sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members or the community should follow similar requirements as specified in *Bulletin #P-14974-COO/P/AS* for gift cards, “Schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue.
- Similar noncompliances by same sponsors in future audits will be forwarded to Professional Standards for further actions.

Management’s Response

Training was provided to all staff in reference to proper fundraising procedures and money collection. Yearbook and t-shirts fundraisers recap was completed incorrectly.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #4667 for \$500 was for payment to a consultant for providing entertainment services during the May 18, 2016, multicultural event. However, the *School District Consultant Agreement* (PBSD 1420) was not signed by the principal.
- Two disbursements (#4479 for \$1,607.76 and #4508 for \$1,062) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Two *Check Requisitions* (#4667 for \$500, and #4663 for \$19.85) were not approved by the Principal.
- P-Card transactions (totaling \$322.47) during March 2016, were for Afterschool Program purchases of printer ink and toner, cooking supplies, and decorations. However, the items were shipped to the staff's home address instead of the school.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to a consultant performing services at the school (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed, and (2) most importantly, the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- The issuance of school check should be supported by a *Check Requisition* approved by the Principal. Without adequate supporting documentation and proper supervisor approval, there is no assurance that the expenses were appropriate.
- School purchases should be delivered to the school address.

Management's Response

Concur. Procedures are put in place and met with bookkeeper to ensure that proper procedures are followed for consultants and purchase orders.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found the following:

- Although the confidential secretary was the assigned custodian for the *Drop-safe Log*, the *Document Custodian Assignment Register (PBSD 1663)* was not completed and signed by the principal. In addition, the treasurer had custody of the blank *Drop-safe Logs*.
- The school did not maintain the *Prenumbered Document Inventory Registers (PBSD 0160)* for *Drop-safe Logs*.

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*,

- A designated document custodian should be assigned for each prenumbered form; and the staff assignment should be recorded on the *Document Custodian Assignment Register (PBSD 1663)* accordingly.
- To ensure prenumbered *Drop-safe Logs* and *School Checks* are properly accounted for, the designated document custodian(s) should use the *Prenumbered Document Inventory Register (PBSD 0160)* to account for the usage and monthly inventory-check of these documents.

Management's Response

Concur. Bookkeeper and School Secretary were provided informal training on proper procedures to follow for pre-numbered forms and using PBSD 1663 and 0160 forms.

**Citrus Cove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 8400 Lawrence Road
Boynton Beach, FL 33436

Principal:
Fiscal Year 2016: Laura Green
During Audit: Laura Green

Treasurer:
Fiscal Year 2016: Cheryl Conner
During Audit: Cheryl Conner

Afterschool Site Director:
Fiscal Year 2016: Sheila Ross
During Audit: Sheila Ross

Cash and Investments

Checking	\$ 64,917.94
Investments	
	\$ 64,917.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	6,227.17	1,175.00	5,483.49	104.46	104.46	1,918.68
Classes	926.89	67,553.69	61,929.61	7,079.04	13,630.01	0.00
Clubs	6,384.42	0.00	0.00	0.00	0.00	6,384.42
Departments	8,982.26	21,189.67	18,883.37	2,820.32	3,276.12	10,832.76
Trusts	28,936.13	746,648.37	736,767.58	21,296.33	23,423.97	36,689.28
General	7,207.81	16,621.70	23,871.12	11,462.37	2,327.96	9,092.80
	\$ 58,664.68	\$ 853,188.43	\$ 846,935.17	\$ 42,762.52	\$ 42,762.52	\$ 64,917.94

Citrus Cove Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Clifford O. Taylor/Kirklane Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 4200 Purdy Lane
Palm Springs, FL 33461

Principal:
Fiscal Year 2016: Agatha Gragg/Patricia Lucas
During Audit: Patricia Lucas

Treasurer:
Fiscal Year 2016: Raysa Serpa
During Audit: Raysa Serpa

Afterschool Site Director:
Fiscal Year 2016: Cybil Askew
During Audit: Cybil Askew

Cash and Investments

Checking	\$ 47,231.43
Investments	
	\$ 47,231.43

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	138.15	480.00	695.00	215.00	138.15	0.00
Classes	11,089.51	133,896.41	135,748.98	44,366.93	41,094.65	12,509.22
Clubs	1,591.52	564.75	519.69	914.91	1,482.97	1,068.52
Departments	3,457.75	22,016.98	22,247.58	1,467.75	684.29	4,010.61
Trusts	19,375.41	344,418.54	327,324.03	10,856.68	18,152.90	29,173.70
General	438.25	22,265.13	25,965.69	20,641.71	16,910.02	469.38
	\$ 36,090.59	\$ 523,641.81	\$ 512,500.97	\$ 78,462.98	\$ 78,462.98	\$ 47,231.43

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) and found that:

- According to the principal, the treasurer was given the full combination for the Drop-safe prior to her arrival in January, 2016. During the audit, the OIG recommended that a work order for a change of combination be issued immediately. On September 28, 2016, the maintenance department completed the change of combination.
- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for a total of \$2,458.40 from two collections on *Drop-safe Log* page #14-45198 was not recorded on the log.
- The *Drop-safe Log* was not always completed with all the required information. Specifically, for 26 pages of the *Log*,
 - *Section 2* was not completed with the date when collections were removed or the verifier's initials.
 - *Section 3* was not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.
- Collections were not always deposited into the bank account in a timely manner. For example, 18 collections (totaling \$10,606.54) were not processed by the school treasurer until 6 to 15 working days after the monies were put into the drop-safe by the sponsors.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *Chapter 7* of the *Internal Accounts Manual* states "the safe combination may be shared between two or more trustworthy members of the office staff (such as the school treasurer, data processor, assistant principal, or secretary) with each person having a portion of the combination, so it takes two individuals to open the safe in the principal's absence." To ensure assets are safeguarded properly, access should be restricted only to authorized

personnel.

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- **DOE Rules** and **Internal Accounts Manual** require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management’s Response

Concur. I notified the auditor general of these issues. I am monitoring the drop safe log training on fiscal requirements and the work of the treasurer.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Candy Sales	#3-3500.02	9/29/2015	Did not complete
Clear Backpack Sales	#7-0100.16	8/14/2015	Did not complete
Holiday Shop	#7-0100.07	12/07/2015	Did not complete
4 th Grade Key Chains	#3-3400.10	4/22/2015	Did not complete

- The Holiday Shop (Account #7-0100.07) and 4th Grade Key Chains Mom’s (Account # 3-3400.10) fundraisers did not have the required *Fundraising Application/Recap Form* and *Sales Inventor Item Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is no assurance that all the monies collected were properly accounted for.
- The Candy Sales Fundraiser (Account #3-3500.02) did not have the required *Sales Item Inventory Report*. A total of \$31,909 in sales revenue for this fundraiser was deposited into

Clifford O. Taylor/Kirklane Elementary School
Management Letter
Year Ended June 30, 2016

the Internal Funds. However, based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$36,000. As a result, \$4,091 (36,000 – 31,909 or 11%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the actual sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm remaining inventory. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. These issues took place before my arrival. I am monitoring fundraising and the work of the treasurer closely.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that

- Disbursement #11729 (for \$1,030) was supported by receipts totaling \$835.34, and the other \$194.66 of expenditures did not have any supporting documentation.
- Three disbursements totaling \$408.23 (#s 11583, 11771, and 12296) were inadequately supported by vendor account statements which did not indicate the items purchased; instead of an itemized receipt/invoice.

Recommendation

To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Continue to monitor work of treasurer and comply with all requirements.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop-Safe Logs* was not completed after January 29, 2016.

Recommendation

To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *Drop-Safe Logs*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the forms.

Management's Response

Concur. Continue to monitor the drop safe log monthly.

Coral Reef Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6151 Hagen Ranch Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Bobbi Moretto
During Audit: Bobbi Moretto

Treasurer:
Fiscal Year 2016: Amy Smith
During Audit: Raysa Navarro

Afterschool Site Director:
Fiscal Year 2016: Pat Felice
During Audit: Pat Felice

Cash and Investments

Checking	\$ 49,273.03
Investments	
	\$ 49,273.03

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	404.72	1,040.00	960.50	48.50	48.50	484.22
Classes	4,985.92	33,644.55	32,395.22	8,825.75	8,824.25	6,236.75
Clubs	4,520.66	23,336.00	15,021.95	9,700.66	17,042.77	5,492.60
Departments	7,121.43	12,447.44	12,310.61	4,802.52	4,795.17	7,265.61
Trusts	27,690.95	710,212.53	715,885.30	12,942.11	6,962.06	27,998.23
General	2,444.44	2,582.16	4,584.19	3,617.06	2,263.85	1,795.62
	\$ 47,168.12	\$ 783,262.68	\$ 781,157.77	\$ 39,936.60	\$ 39,936.60	\$ 49,273.03

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that monies collected were not always deposited in a timely manner. For example, \$2,353.34 collected through four MCRs (#523-12, #548-1, #548-15, and #555-11) was retained by the sponsors for one to four working days before the money was put into the drop-safe for deposit.

Recommendation

The *Internal Accounts Manual* requires that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in unintended irregularities.

Management's Response

Concur. All staff handling monies collected, took the online cash disbursement and cash receipt and field trip and fund raising coursework. I have a PeopleSoft report for verification.

DOCUMENTATION FOR FUNDRAISERS

Findings

The sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Candy Grams	#3-3400.03	12/14/2015	1/29/2016
Book Fair	#5-1700.02	9/28/2015	10/15/2015

Recommendation

To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Same as above to ensure compliance by staff who handle monies collected.

**Coral Sunset Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 22400 Hammock Street
Boca Raton, FL 33428

Principal:
Fiscal Year 2016: Danielle Garcia
During Audit: Danielle Garcia

Treasurer:
Fiscal Year 2016: Tracey Coleman
During Audit: Tracey Coleman

Afterschool Site Director:
Fiscal Year 2016: Evelyn Garcia
During Audit: Evelyn Garcia

Cash and Investments

Checking	\$ 33,551.48
Investments	
	\$ 33,551.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	65.45	100.00	190.45	25.00	0.00	0.00
Classes	1,814.78	19,043.00	20,203.96	5,285.74	4,019.61	1,919.95
Clubs	3,651.77	0.00	739.27	0.00	847.55	2,064.95
Departments	5,295.81	14,332.73	13,746.41	6,177.72	7,102.72	4,957.13
Trusts	19,323.62	374,341.29	378,917.34	10,195.94	9,353.39	15,590.12
General	8,547.55	14,845.73	14,012.82	2,556.93	2,918.06	9,019.33
	\$ 38,698.98	\$ 422,662.75	\$ 427,810.25	\$ 24,241.33	\$ 24,241.33	\$ 33,551.48

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Domino Pizza Cards	#6-4400.02	8/24/2015	1/19/2016
Graduation Bears	#3-3500.05	5/2/2016	Did not complete

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. All staff conducting fundraising activities will complete the required training course in eLearning before the fundraiser begins. Staff will receive additional training. All staff will receive additional training now and at the beginning of the school year to remind them of this policy.

Crosspointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 3015 South Congree Avenue
 Boynton Beach, FL 33426

Principal:
 Fiscal Year 2016: Annemarie Giddings-Dilbert
 During Audit: Annemarie Giddings-Dilbert

Treasurer:
 Fiscal Year 2016: Hollis Memoly
 During Audit: Hollis Memoly

Afterschool Site Director:
 Fiscal Year 2016: Abeer Khalifa Majdalawi
 During Audit: Abeer Khalifa Majdalawi

Cash and Investments

Checking	\$ 51,038.94
Investments	
	\$ 51,038.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	102.13	347.35	448.78	10.95	10.95	0.70
Classes	3,501.99	14,363.23	12,344.33	5,089.49	4,865.07	5,745.31
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	3,640.00	9,496.53	8,767.44	3,008.50	3,008.50	4,369.09
Trusts	36,049.91	248,314.45	246,042.50	4,913.38	6,424.17	36,811.07
General	7,053.41	8,844.95	13,071.96	6,042.41	4,756.04	4,112.77
	\$ 50,347.44	\$ 281,366.51	\$ 280,675.01	\$ 19,064.73	\$ 19,064.73	\$ 51,038.94

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Yearbook Sales (Account #7-0100.07) began October 1, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until June 3, 2016; i.e., 135 working days after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Teacher has completed training.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Two Disbursements (#4958 for \$1,763.98 and #4989 for \$1,265.72) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #5005 (for \$1,855) was for payment to a consultant for an in-house performance. The disbursement was supported with a *Purchase and Sales Agreement* signed by the sponsor instead of the Principal. In addition, this disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #5239 (for \$480) was for rental of inflatable water slides for the 5th Grade picnic event. However, this disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #5130 (for \$2,167.50) was for purchase of the yearbooks. However, the disbursement was supported by a contract signed by the sponsor instead of the Principal.

Crosspointe Elementary School
Management Letter
Year Ended June 30, 2016

- Supporting documentation such as invoices/receipts were not always defaced (stamped “PAID”) after payment in order to prevent duplicate payment.
- Three disbursements (#4940 for \$332.56, #5025 for \$117.53, and #5030 for \$67.34) included a total of \$29.33 in sales tax reimbursement to employees for tax-exempt qualified purchases.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant’s background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465(Jessica Lunsford Act)*.
- All contracts should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- To avoid duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.
- The School District is sales tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management’s Response

Concur. 1. Purchase order complete. 2. Contract not needed (no one from company came to school / AP sold items at lunch). 3. As the principal of Crosspointe at this time I was unaware consultant agreement needed at that time. 4. Principal now signs all contracts. 5. Every document is stamped paid now. 6. Taxes will not be reimbursed for tax exempt items.

LEASING OF SCHOOL FACILITIES FINDING

Finding

The review of sample leases for use of school facilities found that:

- Lease Agreement #1004 was not signed and dated by the lessee or by the witness.
- Lease #1006 had a total leasing charges of \$2,350; however, the school collected only \$2,105 from the lessee. As of June 30, 2016, the school had not collected the other \$245 from the lessee.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure Lease Agreements are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees.
- As required by *School Board Policy 7.18*, “fees are to be paid by check or credit card at least forty-eight (48) hours prior to use of a facility.” The school should recoup the \$245 in undercharged rentals from the lessee.

Management’s Response

Concur. Secretary was made aware and all leases signed and dated now. \$245 was a credit given due to lack of air conditioning during their lease time. Secretary thought this was proper protocol.

**Crystal Lakes Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6050 Gateway Boulevard
Boynton Beach, FL 33437

Principal:
Fiscal Year 2016: Diane Curcio-Greaves
During Audit: Diane Curcio-Greaves

Treasurer:
Fiscal Year 2016: Penny Richter/Laura Manganello
During Audit: Laura Manganello

Afterschool Site Director:
Fiscal Year 2016: Michelle Soto
During Audit: Michelle Soto

Cash and Investments

Checking	\$ 53,143.88
Investments	
	\$ 53,143.88

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,180.81	318.05	383.20	24.25	158.16	2,981.75
Classes	6,402.88	14,632.60	14,124.78	1,737.88	1,737.88	6,910.70
Clubs	196.09	1,249.75	1,126.34	170.96	34.00	456.46
Departments	15,466.14	17,317.93	20,520.89	3,402.57	3,405.62	12,260.13
Trusts	26,572.16	534,050.00	530,084.97	11,235.90	12,162.64	29,610.45
General	856.26	1,178.37	2,036.98	966.74	40.00	924.39
	\$ 52,674.34	\$ 568,746.70	\$ 568,277.16	\$ 17,538.30	\$ 17,538.30	\$ 53,143.88

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The *Drop-safe Log* was not always completed with all the required information. Specifically, *Section 3* on eight pages of the *Drop-safe Log* (#14-18925, #14-18926, #14-18999, #14-19008, #14-19047, #14-29510, #14-29525, and #14-29526) was not signed by an independent staff verifier who should verify that the collections had been recorded in the General Ledger by the treasurer.
- Six collections, totaling \$148, recorded on the *Drop-safe Log* (page #s 14-19014, 14-19018, 14-19021, 14-19038, 14-18929, and 14-18969) had various notations such as “amount off return to teacher”, “fun run PTA”, and “returned to teacher to parent”. However, the returns were not signed by the sponsors to acknowledge the return and receipt of the collections.
- \$85 collected with MCR #541-15 was retained by the sponsor for 3 working days before the money was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*; and the treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)* and the District’s *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank

within five working days after the collections. Delay in turning in the monies for deposit could result in exposure to staff and increased potential irregularities.

Management's Response

Concur. Recommendations already in place.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors of the following four fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Chorus T-shirts	#4-0900.01	11/18/2015	2/24/2016
Original Artwork	#5-0100.01	10/26/2015	2/24/2016
Music Recorders	#2-3500.04	12/07/2015	2/24/2016
Kindness Tree	#6-4400.02	11/30/2015	2/4/2016

- The Music Recorders (Account #2-3500.04) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The *Sales Item Inventory Report* for Chorus-T-Shirts (Account #4-0900.01) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing.

Management's Response

Concur. Recommendations already in place.

SEGREGATION OF DUTIES

Finding

During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer, but those mails addressed to the treasurer were given to her for opening and processing.

Recommendation

To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a Monies Collected Report (MCR) by the staff who opens the mail, prior to placing the collections into the drop-safe.

Management's Response

Concur. Recommendations already in place.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Two disbursements (#11538 for \$1,050, and #11264 for \$1,529.76) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

- One P-Card transaction during February 2016, (for \$193.64) did not have an itemized receipt for purchases totaling \$46.98. Instead, it was supported by a Statement.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- Pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) *Purchase Order* should be issued for purchase in excess of \$1,000.
- School expenditures should be adequately supported by itemized invoices/receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Recommendations already in place.

PRENUMBERED DOCUMENTS

Finding

Drop-Safe Logs were not always available for sponsors to record the deposit information before their dropping the monies in the safe. Specifically, the information for 13 deposits, totaling \$4,581.52, collected during April 19 through 22, 2016, were recorded on photocopies of previously used Drop Safe Logs pages. According to staff, the school did not replenish its stock of *Drop Safe Logs* prior to using the last one.

Recommendation

To ensure fiscal accountability, prenumbered documents should be available to staff to record all money collections.

Management's Response

Concur. Recommendations already in place.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- *Lease Agreement #1009* did not have proof of liability insurance coverage. Additionally, the *Certificate of Insurance* for lease #1019 inadvertently included the school as the certificate holder and an additional insured party, instead of the School Board, for liability insurance coverage.
- The school did not always allocate the rental fees in accordance with District's guidelines. Specifically, the District shares for commercial lease #1004 and #1009 were allocated at the non-profit rate. Consequently, the school over-allocated and over-paid the Central Office a total of \$157.50 in fees.

Recommendation

To protect the best interest of the School District, leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- As required by *School Board Policy 7.18*, lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*” This will ensure the School Board is well protected from unwarranted liability.
- Leasing revenues should be allocated in accordance with the District's *Approved Rate Schedule*.

Management's Response

Concur. Recommendations already in place.

Additional Comments

Please note that I hired a new treasurer February, 2016. Some of these errors or oversights were part of the learning curve. Some of these errors were made by the previous treasurer. We are now aware of the errors and they will not be repeated. Your recommendations will be implemented immediately.

**Cypress Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 133 Park Road North
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Shari Bremekamp
During Audit: Shari Bremekamp

Treasurer:
Fiscal Year 2016: Erica Rolf
During Audit: Erica Rolf

Afterschool Site Director:
Fiscal Year 2016: Kelly Hindle
During Audit: Kelly Hindle

Cash and Investments

Checking	\$ 44,740.36
Investments	
	\$ 44,740.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,295.34	296.00	1,615.28	102.45	102.45	976.06
Classes	0.00	21,307.00	18,320.91	4,825.49	7,811.58	0.00
Clubs	1,949.52	0.00	132.52	0.00	0.00	1,817.00
Departments	3,815.72	8,060.65	6,228.58	1,674.11	1,674.11	5,647.79
Trusts	50,924.28	323,870.07	343,526.11	11,003.24	11,309.38	30,962.10
General	13,486.40	4,024.64	15,465.86	5,781.43	2,489.20	5,337.41
	\$ 72,471.26	\$ 357,558.36	\$ 385,289.26	\$ 23,386.72	\$ 23,386.72	\$ 44,740.36

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- *Drop-safe Log* was not always completed with all the required information. Specifically, 66 entries of *Section 3* on nine pages (#s 12-73852, 12-73854, 12-73882, 12-73849, 12-73835, 12-73836, 12-73851, 12-73856, and 12-73855) of the *Log* were not signed by an independent verifier who was supposed to verify if the collections had been recorded into the General Ledger by the treasurer. Moreover, 33 entries on three additional pages (#s 14-26875, 14-26880, and 14-26881) had neither the *Official Receipt* number nor the initials of the independent verifier.
- Numerous collections were marked “returned for corrections” or “not ready for deposit”. According to staff, those entries were for collections with errors or collections not ready for deposit and were returned to the respective sponsors for clarification. However, no records were maintained to document that the monies were returned to and received by the sponsors.
- A total of \$1,400 collected from MCRS #631-3 and #631-4 were retained by the sponsor for two working days before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the monies collected into the safe. The treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were returned to the treasurer accordingly for deposit after the clarification was made by the sponsor.

- **DOE Rules** and District **Bulletin #P-14051-S/CFO** require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. Document custodian took online training. Will make best attempt to have corrections same day although it is not always possible (teacher not available, etc.).

CHANGE FUND

Finding

The school maintained a total of \$120 in the Change Fund which was provided to the sponsor for the Book Fair. Our examination of the change funds on October 5, 2016, found that the change fund had only \$112.07 cash. According to the sponsor, the \$7.93 (\$120 - \$112.07) was deposited in the Book Fair Account. Moreover, the \$112.07 in change fund was kept in a cashier drawer in the media center.

Recommendation

School assets should be properly safeguarded. As required by ***Internal Accounts Manual, Chapter 10, Change Funds***, “When not in use, change funds must be secured in the safe.”

Management's Response

Concur. Change fund will be returned same day; however, in the IA Manual it states change fund does not have to be returned until end of fundraiser.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The sponsors for the following three fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016: (1) School Store Sales, (2) Chorus T-Shirts Sales and (3) the PTO Cookie Dough Catalog Sales.

Cypress Trails Elementary School
Management Letter
Year Ended June 30, 2016

- The *Fundraising Application/Recap Form* for the School Store Sales (Account #7-0100.01) was not approved by the Principal until six working days after the fundraising activities had begun.
- A total of \$2,738 in sales revenue for the School Store Sales was deposited into the Internal Funds (Account #7-0100.01). Based on the *Sales Item Inventory Report*, this fundraiser generated a total \$2,878. Consequently, \$140 in revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure fundraising activities are consistent with the School Board Mission, they should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with all the required information for each fundraiser. This will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Person is not employee at school.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #10958 (for \$9,098) was for payment of transportation expenses for the January 27, 2016, field trip to Washington DC. However, this field trip did not have the required *Field Trip/Activity Roster (PBSD 2149)*.
- The school paid a total of \$44.10 in sales tax for two qualified P-Card purchases.

Cypress Trails Elementary School
Management Letter
Year Ended June 30, 2016

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, the *Field Trip/Activity Roster (PBSD 2149)* is mandatory for all Out-of-County, Out-of-State, or Overseas trips.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. Sponsors have been retrained and directed by principal.

Del Prado Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 7900 Del Prado Circle
 Boca Raton, FL 33433

Principal:
 Fiscal Year 2016: Rachel Capitano
 During Audit: Rachel Capitano

Treasurer:
 Fiscal Year 2016: Maria Leggio
 During Audit: Maria Leggio

Afterschool Site Director:
 Fiscal Year 2016: Lori Goldfinger
 During Audit: Lori Goldfinger

Cash and Investments

Checking	\$ 71,924.84
Investments	
	\$ 71,924.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,346.11	1,930.00	2,269.54	926.00	400.00	1,532.57
Classes	0.00	56,364.67	65,302.15	18,655.08	9,704.10	13.50
Clubs	8,229.72	10,346.90	13,453.04	3,005.81	3,005.81	5,123.58
Departments	3,978.61	30,778.44	27,820.86	10,592.99	6,475.09	11,054.09
Trusts	26,752.08	721,935.92	703,299.37	10,030.44	10,445.06	44,974.01
General	5,367.16	39,199.26	22,159.07	17,157.02	30,337.28	9,227.09
	\$ 45,673.68	\$ 860,555.19	\$ 834,304.03	\$ 60,367.34	\$ 60,367.34	\$ 71,924.84

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that, the sponsor for the School Folder Sale (Account #7-0100.05) did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically, to ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Principal will ensure all sponsors will complete training.

Diamond View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 5300 Haverhill Road
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Carolyn Seal
During Audit: Carolyn Seal

Treasurer:
Fiscal Year 2016: Wendy Martin
During Audit: Wendy Martin

Afterschool Site Director:
Fiscal Year 2016: Luis Lebron
During Audit: Luis Lebron

Cash and Investments

Checking	\$ 64,964.93
Investments	
	\$ 64,964.93

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	748.86	686.00	117.50	0.00	0.00	1,317.36
Classes	56.68	43,430.63	40,683.25	13,136.70	15,940.76	0.00
Clubs	4,877.55	25,536.04	12,681.21	12,494.38	23,804.48	6,422.28
Departments	6,270.21	8,173.28	8,257.59	2,049.35	2,049.35	6,185.90
Trusts	51,064.82	298,777.07	318,132.78	11,719.88	710.08	42,718.91
General	8,860.82	6,959.93	10,604.63	5,376.36	2,272.00	8,320.48
	\$ 71,878.94	\$ 383,562.95	\$ 390,476.96	\$ 44,776.67	\$ 44,776.67	\$ 64,964.93

Diamond View Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Discovery Key Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3550 Lyons Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Catherine Lewis
During Audit: Catherine Lewis

Treasurer:
Fiscal Year 2016: Stacey Cohen
During Audit: Stacey Cohen

Afterschool Site Director:
Fiscal Year 2016: Jessica Rosenfeld
During Audit: Jaqueline Gersley

Cash and Investments

Checking	\$ 66,370.07
Investments	
	\$ 66,370.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	3,089.36	44,522.72	44,025.94	4,289.81	4,749.81	3,126.14
Clubs	1,323.43	23,470.00	13,678.24	1,010.00	10,540.00	1,585.19
Departments	19,186.72	17,277.59	17,312.56	6,635.73	6,635.73	19,151.75
Trusts	60,662.48	549,914.99	589,444.45	13,896.81	5,439.55	29,590.28
General	7,425.86	11,062.20	7,104.09	1,532.74	0.00	12,916.71
	\$ 91,687.85	\$ 646,247.50	\$ 671,565.28	\$ 27,365.09	\$ 27,365.09	\$ 66,370.07

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for the Coupon Book Sales (Account #4-4300.01) and Book Fair (Account #5-1700.01) fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Sales Item Inventory Reports* (SIIR) for the Coupon Books (Account #4-4300.01) and 5th Grade T-shirts (3-3500.01) were not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm (1) the legitimacy for items given-away free-of-charge, and (2) the missing items, if any.

Management's Response

Concur. All fundraiser sponsors will complete the eLearning Fundraiser Training Course and the principal will sign all Sales Item Inventory Reports in the future.

LEASING OF SCHOOL FACILITIES

Finding

During Fiscal Year 2016, 23 *Lease Agreements* were executed. Leasing charges for 13 of them were not allocated and recorded in the respective accounts in accordance with District guidelines. During the year, the school under-allocated a total of \$371 in District Share (Account 6-5500.00) which was incorrectly recorded in the Rental Income Account (Account #6-3800.00).

Discovery Key Elementary School
Management Letter
Year Ended June 30, 2016

Recommendation

Leasing revenues should be allocated in accordance with the District's approved *Rate Schedule*. The District's portions of leasing fees should be transmitted to the Central Office accordingly.

Management's Response

Concur. All leasing revenues will be allocated in accordance with the District's approved rate schedule and the district's portion of leasing fees will be transmitted to the central office.

Dr. Mary McLeod Bethune Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1501 Avenue "U"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Katrina Granger
During Audit: Katrina Granger

Treasurer:
Fiscal Year 2016: LaTasha Smart
During Audit: LaTasha Smart

Afterschool Site Director:
Fiscal Year 2016: Corlyss Grant
During Audit: n/a

Cash and Investments

Checking	\$ 27,394.96
Investments	
	\$ 27,394.96

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,238.81	0.00	0.00	0.00	0.00	3,238.81
Classes	3,706.48	14,461.50	14,141.09	1,203.15	402.83	4,827.21
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	396.46	2,221.51	1,221.51	0.00	0.00	1,396.46
Trusts	16,444.71	59,114.26	57,643.72	125.00	1,614.87	16,425.38
General	3,292.07	1,011.39	3,485.91	1,869.04	1,179.49	1,507.10
	\$ 27,078.53	\$ 76,808.66	\$ 76,492.23	\$ 3,197.19	\$ 3,197.19	\$ 27,394.96

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) and at the school found that:

- The school's *End-of-Year Check List 2015-2016* mistakenly instructed staff to submit the yellow copies of the MCRs and the computerized receipts to the treasurer, instead of the school secretary, for filing and future references.
- Only three staff members submitted the yellow copies of MCRs at the end of the school year. Some sponsors did not always attach the *Official Receipt* to the yellow copy.
- *Monies Collected Reports* and *Classroom Receipts* were not always completed with all the required information. For example,
 - Two sponsors did not record the check numbers on the MCRs (#s 535-2 and 535-7) for two checks totaling \$1,190.
 - One sponsor did not record the date of collection on 14 *Classroom Receipts* totaling \$628.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, (1) the *Drop-safe Log* should be properly completed with all the needed information, and (2) "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"
- Monies collected should be supported by *Monies Collected Reports* and *Classroom Receipts* with all the required information, including the date, account number, remitter's signature, payer's name, dollar amount, and check number, when appropriate.

Management's Response

Concur. The end of the year documentation has been corrected for the 2016-2017 school year. A member of each grade level will be required to complete monies collected training and follow the required guidelines. Training will be provided preschool week. – August 2017.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that:

- The sponsor for the Talent and Modeling Showcase (Account# 7-0100.03) fundraiser did not complete the annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Fundraising Application/Recap Forms* for the Yearbook Sales (Account #7-0100.01) was not approved by the Principal until three working days after the fundraising activities had begun. Moreover, the sponsor did not complete the Recap (Actual Sales) section of the *Form*.
- The Yearbook Sales (Account #7-0100.01) did not have the required *Sales Item Inventory Report*. Also, the *Sales Item Inventory Report* for the Dominos Card Sales (Account #3-3500.01) was not reviewed and approved by the Principal.
- Tickets were sold for the Talent and Modeling Showcase (Account #7-0100.03). However, a *Ticket Sellers Report* was not maintained for this ticket selling event. Additionally, the sponsor did not complete the Recap (Actual Sales) section of the *Fundraising Application / Recap Form*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- To ensure the fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*. Most importantly, non-approved fundraisers could subject the school to unwarranted liabilities and unfunded debts.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

- ***Internal Accounts Manual, Chapter 26***, requires that “Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.

Management’s Response

Fundraisers will be conducted according to District guidelines. Training will be provided during preschool week – August 2017.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Three Disbursements (#4992 for \$6,152, #5140 for \$105, and #5143 for \$105) did not have any supporting documentation.
- Disbursement # 4993 (for \$302.50) was supported by a fundraiser checklist instead of an itemized invoice or receipt.
- Disbursement #5147 (for \$1,676) did not have a Principal-approved *Check Requisition*. Disbursement #4976 (for \$387.55) only had a Principal-approved *Check Requisition* for \$60. The remaining \$327.55 of expense was not approved by the Principal.
- Two disbursements (#5005 for \$1,834 and #5135 for \$3,747.04) were for payments of admission tickets, meals, and tours for an out-of-county field trips to St Augustine and Orlando respectively. However, staff’s *Temporary Duty Elsewhere (TDE) Forms* for both field trips, and the *Field Trip Activity Roster* for the Orlando trip were not approved by the Area Superintendent.
- Disbursement # 5136 (\$460) was for a payment to rent a bounce house and dunk tank, with attendants, for the May 26, 2016, Field Day Event. However, this disbursement did not a *Hold Harmless Agreement for Vendors/ Service Providers* or proof of vendor liability insurance.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- The issuance of a school check should be supported by the Principal's approved *Check Requisition* and adequate supporting documentation. This is to ensure that the expenses were appropriate.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, Out-of-County field trips should be approved by the Principal and Area Superintendent.
- As required by the District's *Special Events Guide for Insurance Loss Prevention*, the school should "obtain a *Certificate of Insurance from the vendors/service provider and an endorsement naming School Board as an Additional Insured on the policy*" in addition, the vendor should complete the "Hold Harmless Agreement" for conducting carnivals with amusement vendors, bounce houses, and inflatables rides.

Management's Response

Concur. Disbursements will be administered in accordance with the Internal Accounts Manual and district guidelines. Training will be provided to appropriate staff May of 2017 and pre-school week – August 2017.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that:

- The Afterschool Program Director was the designated custodian for Afterschool Program Receipts, although she was the primary user of the document.
- The school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop-Safe Logs*.

Dr. Mary McLeod Bethune Elementary School
Management Letter
Year Ended June 30, 2016

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*,

- The custodian for prenumbered form should be someone who is not involved in the day-to-day use of the form. The designated custodian for *Afterschool Program Receipts* should be someone other than the Aftercare Director.
- To ensure all *Drop-safe Logs* are properly accounted for and complying with *Chapter 27 of the Internal Accounts Manual*, the designated document custodian for the *Logs* should use the *Prenumbered Document Inventory Register* (PBSD 0160) to account for the usage and monthly inventory-check of these documents.

Management's Response

Concur. The treasurer and document custodian will receive refresher training related to Chapter 17 of the Internal Accounts Manual and will comply with district guidelines.

Additional Comments

The Afterschool Program was relocated to another elementary school.

Dwight D. Eisenhower Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 2926 Lone Pine Road
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2016: Jo Anne Rogers
During Audit: Debbie Battles

Treasurer:
Fiscal Year 2016: Sarah Weis
During Audit: Sarah Weis

Afterschool Site Director:
Fiscal Year 2016: Alicia DeCavalcanti
During Audit: Alicia DeCavalcanti

Cash and Investments

Checking	\$ 53,399.64
Investments	
	\$ 53,399.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,508.51	1,442.50	1,108.92	641.82	641.82	1,842.09
Classes	3,219.68	11,729.99	13,238.39	5,487.91	4,162.79	3,036.40
Clubs	725.99	92.00	227.83	51.78	112.94	529.00
Departments	6,277.17	4,433.13	4,873.89	2,502.44	2,652.44	5,686.41
Trusts	31,640.27	268,790.81	267,835.43	9,581.04	12,428.69	29,748.00
General	8,317.88	23,807.60	21,301.43	12,827.85	11,094.16	12,557.74
	\$ 51,689.50	\$ 310,296.03	\$ 308,585.89	\$ 31,092.84	\$ 31,092.84	\$ 53,399.64

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that Disbursement #16245 (for \$1,390.46) was payment for planners. However, the *Purchase Order* was not approved and signed by the Principal until 13 days after the invoice date.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. *Purchase Orders* approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.

Management's Response

Concur. This has been discussed with staff and actions are in place to be sure that it isn't repeated for the current school year.

**Egret Lake Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5115 47th Place North
West Palm Beach, FL 33417

Principal:
Fiscal Year 2016: Christine Rick
During Audit: Christine Rick

Treasurer:
Fiscal Year 2016: Cherrie Ullom
During Audit: Cherrie Ullom

Afterschool Site Director:
Fiscal Year 2016: Lori Seal
During Audit: Lori Seal

Cash and Investments

Checking	\$ 66,685.16
Investments	
	\$ 66,685.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5.27	40.00	40.00	0.00	0.00	5.27
Classes	971.50	19,496.25	18,381.76	1,758.75	1,258.75	2,585.99
Clubs	655.15	32,410.48	29,816.69	6,741.12	7,241.12	2,748.94
Departments	21,512.52	14,629.48	12,680.87	6,791.05	6,792.63	23,459.55
Trusts	37,601.05	173,958.59	178,278.15	2,643.37	2,761.62	33,163.24
General	3,604.38	5,796.87	4,798.91	2,112.01	1,992.18	4,722.17
	\$ 64,349.87	\$ 246,331.67	\$ 243,996.38	\$ 20,046.30	\$ 20,046.30	\$ 66,685.16

Egret Lake Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Elbridge Gale Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1915 Royal Fern Drive
Wellington, FL 33414

Principal:
Fiscal Year 2016: Gail Pasterczyk
During Audit: Gail Pasterczyk

Treasurer:
Fiscal Year 2016: Ranka Connor
During Audit: Ranka Connor

Afterschool Site Director:
Fiscal Year 2016: Denise Halperin
During Audit: Denise Halperin

Cash and Investments

Checking	\$ 84,251.19
Investments	
	\$ 84,251.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	528.30	52,912.45	50,116.63	3,501.35	5,874.59	950.88
Clubs	5,414.70	11,941.58	17,572.45	5,603.31	1,209.10	4,178.04
Departments	12,400.62	22,497.44	19,067.68	6,249.57	6,257.25	15,822.70
Trusts	40,211.62	769,881.51	764,488.93	17,111.72	19,036.16	43,679.76
General	19,235.83	17,245.77	16,772.94	9,801.22	9,890.07	19,619.81
	\$ 77,791.07	\$ 874,478.75	\$ 868,018.63	\$ 42,267.17	\$ 42,267.17	\$ 84,251.19

Elbridge Gale Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Equestrian Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 9720 Stribling Way
Wellington, FL 33414

Principal:
Fiscal Year 2016: Michele Johnson
During Audit: Michele Johnson

Treasurer:
Fiscal Year 2016: Lourdes Santos
During Audit: Lourdes Santos

Afterschool Site Director:
Fiscal Year 2016: Ruben Soto
During Audit: Robin Marcus

Cash and Investments

Checking	\$ 101,245.80
Investments	
	\$ 101,245.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 282.75	\$ 302.50	\$ 221.20	\$0.00	\$0.00	\$ 364.05
Music	481.44	1,149.00	888.75	364.25	364.25	741.69
Classes	11,474.34	50,388.84	50,852.35	3,001.46	3,814.46	10,197.83
Clubs	8,832.69	5,253.46	5,471.00	598.98	598.98	8,615.15
Departments	12,889.64	16,196.52	12,401.78	4,596.62	4,596.62	16,684.38
Trusts	56,456.26	662,811.07	672,056.10	10,548.07	10,662.06	47,097.24
General	21,100.73	25,638.78	30,121.04	8,293.54	7,366.55	17,545.46
	\$ 111,517.85	\$ 761,740.17	\$ 772,012.22	\$ 27,402.92	\$ 27,402.92	\$ 101,245.80

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that *Section 3* of the *Drop-safe Log* (#s 12-15803 and 12-15804) was not signed by an independent staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.

Recommendation

Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Responsible staff will complete all required sections of drop-safe log.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that the sponsor of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed?
Yearbook Sales	#7-0100.04	8/3/2015	No
Coupon Books	#6-4000.03	8/19/2015	No

Recommendation

To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Training will be verified principal by due date.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that a P-Card purchase during December 2015, for student meals also included \$59.40 in sales tax. All purchases by the school should be exempted from paying sales tax.

Recommendation

The School District is a sales tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. No tax will be collected with use of P-card. I did try to fix, however company said they could not fix it. It was documented.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool Program records found that a school-based fee waiver of \$881.70 was provided to one student. Although the fee waiver was approved by the Principal, (1) it was not approved by the Afterschool Program Site Director, (2) there was no parent letter stating the reason for the waiver request, and (3) there was no documentation indicating that the fee waiver was reviewed periodically.

Recommendation

As required by *Afterschool Programs Operational Manual (page 3-3)*, "School-based fee waivers should be reviewed every three months collaboratively with the principal and the afterschool site director."

Management's Response

Concur. Principal will meet with new director to check for documentation. This happened when there was not director.

LEASING OF SCHOOL FACILITIES

Finding

The review of records in the Tririga System for leasing of school facilities noted that:

- Leasing charges of \$424 had not been collected from Lease #1012, as of June 30, 2016.
- The school under-allocated and under-transmitted \$66 and \$19.80 in utility fees and sales tax, respectively, to the Central Office respectively.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”
- Leasing revenues should be allocated in accordance with the District’s approved *Rate Schedule*. The District’s portions of leasing fees should be transmitted to the Central Office accordingly.

Management's Response

No money was missing. Lease was cancelled per leasing department.

**Everglades Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 407 Marginal Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Amie Souder / Dwan Moore-Ross
During Audit: Dwan Moore-Ross

Treasurer:
Fiscal Year 2016: Mary Kozlowski
During Audit: Mary Kozlowski

Afterschool Site Director:
Fiscal Year 2016: Jennifer Sunderman / Christina Swartz
During Audit: Christina Swartz

Cash and Investments

Checking	\$ 44,494.82
Investments	
	\$ 44,494.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	499.59	1,050.00	1,534.81	295.98	295.98	14.78
Classes	792.50	70,755.30	68,240.70	5,060.74	6,837.70	1,530.14
Clubs	10,800.13	3,970.20	3,948.87	2,531.70	2,531.70	10,821.46
Departments	12,850.83	21,366.46	25,730.82	5,496.72	5,496.72	8,486.47
Trusts	16,493.32	613,880.00	613,764.06	15,588.63	15,576.17	16,621.72
General	7,625.09	12,467.18	14,836.52	7,221.27	5,456.77	7,020.25
	\$ 49,061.46	\$ 723,489.14	\$ 728,055.78	\$ 36,195.04	\$ 36,195.04	\$ 44,494.82

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- Fundraiser activities for the Music T-shirt Sales (Account #2-3500.01) began on September 21, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training course until May 13, 2016, eight months after fundraiser activities began.
- The *Sales Item Inventory Report* for the Chess Club Shirt Sales (Account #4-1850.01) was not reviewed and approved by the Principal. Instead, it was approved by the Treasurer.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing.

Management's Response

Concur. The principal and bookkeeper have met and corrected approval process moving forward.

Additional Comments

Administration is working very closely with teachers to ensure eLearning mandatory training is completed by the deadline or December, 2016. The bookkeeper will also provide me with an updated roster of teachers who need to complete training.

**Forest Hill Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5555 Purdy Lane
West Palm Beach, FL 33415

Principal:
Fiscal Year 2016: Ana Arce-Gonzalez
During Audit: Ana Arce-Gonzalez

Treasurer:
Fiscal Year 2016: Susan Adrion
During Audit: Virginia Lawler

Afterschool Site Director:
Fiscal Year 2016: Marie Gavino
During Audit: Marie Gavino

Cash and Investments

Checking	\$ 34,367.64
Investments	
	\$ 34,367.64

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,366.88	130.00	690.75	0.00	0.00	806.13
Classes	2,417.72	8,056.75	9,441.38	2,549.75	2,478.00	1,104.84
Clubs	2,103.65	43,068.78	43,020.34	15,645.09	15,645.09	2,152.09
Departments	10,848.46	6,571.65	5,483.32	1,862.80	1,862.80	11,936.79
Trusts	23,765.08	242,529.26	248,697.30	12,294.65	12,294.65	17,597.04
General	1,705.08	8,011.12	8,873.70	624.57	696.32	770.75
	\$ 42,206.87	\$ 308,367.56	\$ 316,206.79	\$ 32,976.86	\$ 32,976.86	\$ 34,367.64

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- *Section 3* of on three pages of *Drop-safe Log* (pages 12-24701 through 12-24703) for 16 entries totaling \$15,749.04 was not signed by an independent staff verifier to confirm that the monies collected had been recorded in the General Ledger by the treasurer. Instead, *Section 3* was initialed by the treasurer.
- Numerous collections were marked “returned to sponsors” or “to be counted” on the *Drop Safe Logs*. According to staff, those entries were either for collections with errors or collections not ready for deposit and were returned to the respective sponsors for clarification. However, there were no records to document that the monies were actually returned to and received by the sponsors.
- Monies collected were not always deposited in a timely manner. For example, \$2,782.15 collected through nine MCRs (#s 757-9,757-10,776-2, 776-3, 724-4, 724-6, 748-1, 747-3, and 689-1) was retained by the sponsors for one to nine working days before the money was put into the drop-safe for deposit.
- The school’s *2016 End-of-Year Checklist* mistakenly instructed staff to submit all the yellow copies of MCRs to the treasurer. These documents should have been submitted to the school secretary at year-end for filing and future references as required by District’s procedures.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, (1) the treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing, and (2) the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies

were actually returned to the treasurer for deposit after the clarification was made by the sponsor.

- The ***Internal Accounts Manual*** requires that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in unintended irregularities.
- As required by ***Bulletin #P-14051-S/CFO*** and ***Internal Accounts Manual, Chapter 7's Record Retention Requirements***, at the year-end, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*" The school should update its *End-of-Year Checklist* to ensure the instructions are consistent with the District's procedures.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that Disbursement #13052 (for \$1,796) was for payment to a consultant for an in-house performance. The disbursement was supported with a *Purchase and Sales Agreement* signed by the sponsor instead of the Principal. In addition, this disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.

Recommendation

Disbursements should be administered in accordance with the ***Internal Accounts Manual*** and the related District guidelines. Specifically, contractual agreements should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states "*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*"

Management's Response

Concur.

Forest Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1201 SW 3rd Street
 Boynton Beach, FL 33435

Principal:
 Fiscal Year 2016: Nancy Robinson
 During Audit: Nancy Robinson

Treasurer:
 Fiscal Year 2016: Joann Bazer
 During Audit: Rachael Thompson

Afterschool Site Director:
 Fiscal Year 2016: Kim Stivers
 During Audit: Kim Stivers

Cash and Investments

Checking	\$ 34,939.63
Investments	
	\$ 34,939.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	13.14	0.00	0.00	0.00	0.00	13.14
Classes	1,473.59	4,441.15	3,606.85	2,511.85	2,511.85	2,307.89
Clubs	605.13	878.00	30.95	1,296.00	1,296.00	1,452.18
Departments	2,347.52	3,089.92	3,875.72	0.00	0.00	1,561.72
Trusts	25,650.94	92,763.73	95,733.52	5,765.06	5,140.06	23,306.15
General	5,341.98	13,850.83	12,269.26	4,510.45	5,135.45	6,298.55
	\$ 35,432.30	\$ 115,023.63	\$ 115,516.30	\$ 14,083.36	\$ 14,083.36	\$ 34,939.63

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that one page of the *Drop-safe Log* (#12-09602) were missing. The missing pages should contain the collection information for February 24, 2016.

Recommendation

To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. Reviewed procedures with staff this year at office meeting.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the American Fundraising (Account #7-0100.08) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management’s Response

Concur. Treasurer will ensure all trainings are completed prior to fundraisers.

Additional Comments

Procedures reviewed at office meeting. New Treasurer for FY17.

**Freedom Shores Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3400 Hypoluxo Road
Boynton Beach, FL 33436

Principal:
Fiscal Year 2016: Patricia Trejo
During Audit: Patricia Trejo

Treasurer:
Fiscal Year 2016: Liset Steegers/Veronica Debrand
During Audit: Mirtha Walsh

Afterschool Site Director:
Fiscal Year 2016: Kim Sheehan/Gorgina Morton
During Audit: Nicole Ankeney

Cash and Investments

Checking	\$ 122,133.16
Investments	
	\$ 122,133.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	458.01	513.00	520.26	0.00	0.00	450.75
Classes	7,410.97	64,892.16	60,365.30	9,598.86	9,928.86	11,607.83
Clubs	4,564.88	15,115.07	9,676.82	2,044.72	6,535.06	5,512.79
Departments	3,341.83	10,541.18	9,926.66	6,628.30	6,528.30	4,056.35
Trusts	83,806.04	586,743.63	585,190.20	7,290.62	782.50	91,867.59
General	10,168.51	41,155.82	40,898.70	14,937.53	16,725.31	8,637.85
	\$ 109,750.24	\$ 718,960.86	\$ 706,577.94	\$ 40,500.03	\$ 40,500.03	\$ 122,133.16

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program found that:

- As of June 30, 2016, the Afterschool Program had an accounts receivable balance of \$17,436.62 from 114 student accounts. Moreover, \$10,317.63 (or 59%) of the balance was past due for more than 60 days.
- The Verification of Student Registration section of one *Registration Form* was not signed by the parent/guardian.

Recommendation

The Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*.

- Afterschool Programs should be self-sufficient supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by *Afterschool Programs Operational Manual*.
- To protect the best interests of students, the *Afterschool Programs Registration Form* for each student should be completed with all the needed information and signed by the parent/guardian.

Management's Response

Concur. All afternoon program registration forms are being filled out in its entirety for each student with parents signatures in order to meet the District's guidelines and the program operational manual. Fees are being collected prior to services rendered.

Additional comments:

We have been working very diligently to collect all past due balances. Fee arrangements have been made in order to help families satisfy outstanding balances. In the case where a fee arrangement or balance was not satisfied those families have been removed from the program due to non payment, or until balance can be paid in full.

**Frontier Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6701 180th Avenue North
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: Susan Groth
During Audit: Susan Groth

Treasurer:
Fiscal Year 2016: Jaclyn Nicole Traver
During Audit: Jaclyn Nicole Traver

Afterschool Site Director:
Fiscal Year 2016: Ali Gunn
During Audit: Ali Gunn

Cash and Investments

Checking	\$ 38,648.14
Investments	
	\$ 38,648.14

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	81.81	418.50	0.00	0.00	418.50	81.81
Classes	4,388.64	28,393.20	28,892.26	5,641.41	5,704.26	3,826.73
Clubs	1,205.43	1,545.50	2,408.30	1,475.42	471.92	1,346.13
Departments	1,773.39	17,428.33	14,407.13	5,367.44	5,871.15	4,290.88
Trusts	32,782.89	395,601.62	404,041.39	28,318.24	30,342.06	22,319.30
General	7,462.02	13,284.83	15,968.94	7,326.75	5,321.37	6,783.29
	\$ 47,694.18	\$ 456,671.98	\$ 465,718.02	\$ 48,129.26	\$ 48,129.26	\$ 38,648.14

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that two Disbursements (#11139 for \$ 1,679 and #11218 for \$ 1,292) exceeded the \$1000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and the related District guidelines. Specifically, pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase, and (2) *Purchase Orders* should be issued for purchases in excess of \$1,000.

Management's Response

No Response

AFTERSCHOOL PROGRAM

Finding

The school's Summer Camp Program ended on August 5, 2016. However, as of September 12, 2016, the program had a total accounts receivable of \$7,907.19 from 25 students.

Recommendation

Afterschool and Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the *Afterschool Summer Camp Programs Operational Manual*.

Management's Response

Concur. The Afterschool program has been working to collect on any outstanding debts. As of December 15, 2016, the program had a total accounts receivable of \$4,558.64 from 11 students.

**Galaxy E3 Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 550 NW 4th Avenue
Boynton Beach, FL 33435

Principal:
Fiscal Year 2016: Ed Capitano
During Audit: Lisa Steele

Treasurer:
Fiscal Year 2016: Jennifer Srabian
During Audit: Jennifer Srabian

Afterschool Site Director:
Fiscal Year 2016: Katina Thomas
During Audit: Katina Thomas

Cash and Investments

Checking	\$ 35,232.65
Investments	
	\$ 35,232.65

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	2,493.01	8,902.27	9,828.43	2,642.11	960.14	3,248.82
Clubs	6,035.60	55,297.97	5,839.96	4,797.00	55,014.11	5,276.50
Departments	424.38	10,465.79	10,044.47	563.54	563.54	845.70
Trusts	15,808.12	204,006.13	201,682.80	18,867.20	13,236.61	23,762.04
General	5,717.94	17,299.29	18,822.19	47,455.00	4,550.45	2,099.59
	\$ 30,479.05	\$ 295,971.45	\$ 246,217.85	\$ 74,324.85	\$ 74,324.85	\$ 35,232.65

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$686.00 collected through MCR #419-7 was not processed by the treasurer for six working days after it was put into the drop-safe.
- The deposit information for MCR #419-29 (for \$17.07) was not recorded on the *Drop-safe Log* by the sponsor.

Recommendation.

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in unintentional irregularities.
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, deposit information should be properly recorded on the *Drop-safe Log*.

Management's Response

Concur. To avoid lapses, deposits are done twice a week.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for three fundraisers did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016: (1) Uniform Shirt Sale, (2) Carnation Sale, and (3)

Galaxy E3 Elementary School
Management Letter
Year Ended June 30, 2016

Mother's Day Cake Sale. In addition, the sponsors for the Coupons Books and Uniform Sale fundraisers did not complete the training until after the fundraiser was concluded.

- The Yearbook Sale (Account # 7-0100.01) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*.
- The *Fundraising Application/Recap Forms* were not approved by the principal until two to 23 working day after the fundraising activities had begun for the following three fundraisers: (1) Uniform Shirt Sale (Account #7-0100.01), (2) Carnation Sale (Account #6-3300.03), and (3) Mother's Day Cake Sale (Account #6-3300.04).
- The Catalog Items Sale (Account # 7.0100.01), Carnation Sale (Account# 6-3300.03) and Mother's Day Cake (Account # 6-3300.04) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*. Without the sales information, there is no basis to determine if all sales revenues were properly accounted for.

A *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue.

- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements as specified in *Bulletin #P-14974-COO/P/AS* for gift cards, that "*schools must maintain documentation of all recipients of gift cards.*" Records for give-away items should include the purposes and the names recipients. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away.

Galaxy E3 Elementary School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Fundraiser applications are not approved until staff completes online training and attaches the certificate of completion to form. Sales item Inventory is required to be completed after fundraiser and signed off by principal. Proper records will be kept on gift cards or any items purchases that will be given free-of-charge to students, staff, or community members. These items must be pre-approved by the principal.

**Glade View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1100 SW Avenue "G"
Belle Glade, FL 33430

Principal:
Fiscal Year 2016: Linda Edgecomb
During Audit: Linda Edgecomb

Treasurer:
Fiscal Year 2016: Brenda Dominique
During Audit: Brenda Dominique

Cash and Investments

Checking	\$ 17,428.19
Investments	
	\$ 17,428.19

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	2,039.00	944.93	878.93	878.93	1,094.07
Classes	0.00	1,246.00	714.00	0.00	232.00	300.00
Clubs	379.08	1,034.00	318.91	0.00	0.00	1,094.17
Departments	7.34	60.60	17.00	0.00	0.00	50.94
Trusts	11,040.17	41,275.98	40,732.38	1,313.12	1,313.12	11,583.77
General	1,004.77	10,579.06	8,510.59	1,303.00	1,071.00	3,305.24
	\$ 12,431.36	\$ 56,234.64	\$ 51,237.81	\$ 3,495.05	\$ 3,495.05	\$ 17,428.19

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that, the school's 2016 *End-of-Year Checklist* mistakenly instructed staff to submit all the yellow copies of MCRs to the treasurer. These documents should be submitted to the school secretary at year-end for filing and future references as required by District's procedures.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..." The school should correct its *End-of-Year Checklist* to ensure the instructions are complying with the District's procedures.

Management's Response

Concur. Teachers/sponsors will submit yellow copies of the MCR & computerized receipts to the school secretary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- Activities for the Yearbook (Account #7-0100.03) began February 1, 2016. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course.
- The 1st Place Fundraiser (Account #7-0100.09) did not have the required *Fundraising Application/Recap*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Management's Response

Concur. Sponsors will complete mandatory eLearning Fundraiser course prior to conducting to conducting fundraising activities and the principal will pre-approve fundraisers on the Fundraising Application/Recap Form.

DOCUMENTATION OF DISBURSEMENTS

Finding

Disbursement (#7030 for \$100) was to a staff person who refunded \$20 each to five parents because the Pom-Pom Club was canceled. Although, the parents signed forms requesting refunds, evidence of original payments such as copies of the *Monies Collected Reports* or *Classroom Receipts* were not included.

Recommendation

School expenditures should be adequately supported by invoices or itemized receipts. Refunds to students should be supported by the original payment records. Without adequate documentation, there is no assurance that the disbursements were appropriate.

Management's Response

Concur. School expenditures will be supported by invoices or itemized receipts and original payment records will reflect any student refunds.

PRENUMBERED DOCUMENTS

Finding

The school did not maintain the *Document Custodian Assignment Register (PBSD 1663)*.

Glade View Elementary School
Management Letter
Year Ended June 30, 2016

Recommendation

To ensure proper fiscal controls and accountability, and as required by *Chapter 27 of the Internal Accounts Manual* a document custodian should be assigned for all prenumbered documents and recorded on the *Document Custodian Assignment Register* (PBSD 0163).

Management's Response

Concur. Assign a document custodian for all prenumbered documents and record on the Document Custodian Assignment Register (PBSD 0163)

**Golden Grove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5959 140th Avenue North
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Adam Miller
During Audit: Adam Miller

Treasurer:
Fiscal Year 2016: Grace Wersching
During Audit: Grace Wersching

Afterschool Director:
Fiscal Year 2016: Patricia Packard
During Audit: Patricia Packard

Cash and Investments

Checking	\$ 42,268.20
Investments	
	\$ 42,268.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 966.65	\$ 1,688.00	\$ 1,229.06	\$ 515.34	\$ 515.34	\$ 1,425.59
Music	268.23	171.00	0.00	0.00	0.00	439.23
Classes	6,497.77	36,667.09	35,825.88	1,902.60	2,076.22	7,165.36
Clubs	1,319.16	2,634.18	2,958.36	273.37	273.37	994.98
Departments	436.09	7,034.68	6,260.70	1,930.07	2,041.48	1,098.66
Trusts	19,404.01	353,950.24	350,933.76	9,394.30	9,307.89	22,506.90
General	5,133.19	25,920.26	22,614.59	5,169.91	4,971.29	8,637.48
	\$ 34,025.10	\$ 428,065.45	\$ 419,822.35	\$ 19,185.59	\$ 19,185.59	\$ 42,268.20

DOCUMENTATION FOR FUNDRAISER

Finding

The review of fundraiser records found that:

- Activities for the Safety Patrol Coupon Books (Account #6-4000.27) began August 14, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until March 27, 2016; i.e., seven months after fundraiser activities began.
- The *Sales Item Inventory Report* for the Sales of Student Council T-shirts (Account #4-4810.07) was not reviewed and approved by the Principal.

Recommendation

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away or missing. Discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly

Management's Response

Concur. Staff will be reminded of procedures, required to complete the eLearning course before any fundraisers are opened and administration will monitor all inventory reports and eLearning course completion.

**Gove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5959 140th Avenue North
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Adam Miller
During Audit: Adam Miller

Treasurer:
Fiscal Year 2016: Grace Wersching
During Audit: Grace Wersching

Afterschool Director:
Fiscal Year 2016: Patricia Packard
During Audit: Patricia Packard

Cash and Investments

Checking	\$ 42,268.20
Investments	
	\$ 42,268.20

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 966.65	\$ 1,688.00	\$ 1,229.06	\$ 515.34	\$ 515.34	\$ 1,425.59
Music	268.23	171.00	0.00	0.00	0.00	439.23
Classes	6,497.77	36,667.09	35,825.88	1,902.60	2,076.22	7,165.36
Clubs	1,319.16	2,634.18	2,958.36	273.37	273.37	994.98
Departments	436.09	7,034.68	6,260.70	1,930.07	2,041.48	1,098.66
Trusts	19,404.01	353,950.24	350,933.76	9,394.30	9,307.89	22,506.90
General	5,133.19	25,920.26	22,614.59	5,169.91	4,971.29	8,637.48
	\$ 34,025.10	\$ 428,065.45	\$ 419,822.35	\$ 19,185.59	\$ 19,185.59	\$ 42,268.20

ONGOING INVESTIGATION

The 2016 Audit of this school identified several irregularities in monies collection at the school. On August 17, 2016, some audit conclusions were referred to the OIG's Investigation Unit for further investigation. Details of these referred conclusions will be presented in a separate report.

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample Monies Collected Reports (MCRs) at the school found that:

- Four *Drop-safe Log* pages (#12-25051 through #12-25054) were missing.
- The *Drop-safe Log* pages were not in sequential order. For example, *Drop-safe Log* pages from five separate 50-page pads were used out-of-sequence during Fiscal Years 2015 and 2016.
- The school's *2015-16 End-of-Year Checklist* mistakenly instructed staff to submit all the yellow copies of the MCRs to the school treasurer instead of the school secretary as required by the District's procedures.

Recommendation

Money collections should be administered in accordance with the *Internal Accounts Manual*, and District guidelines. As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual*

- *"Completed Drop Safe Logs must be filed sequentially in numerical order in a binder and retained for five years."*
- At year-end *"Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary ..."*

Management's Response

Concur. We will follow district procedures and policies.

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the treasurer was performing incompatible duties. In addition to maintaining the Internal Funds Records, the treasurer also (1) collected leasing fees from lessees and signed as sponsor on the *Drop Safe Log*, (2) prepared some *Monies Collected Reports* (MCR) for other staff members to sign as remitters, (3) complete some *Check Requisitions* for account sponsors to sign as the requestors.

Recommendation

To ensure fiscal accountability and prevent conflict of interest, segregation of duties should be enforced at the school. Specifically, responsibilities in (1) collecting monies from lessees and (2) completing the *Check Requisition* and MCRS should be performed by the activity sponsors, instead of the treasurer.

Management's Response

Concur. We will follow district procedures and policies.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The required *Fundraising Application/Recap Forms* and *Sales Item Inventory Reports* were not prepared and retained for two fundraisers: (1) Yearbook Sales (Account #7-0100.01) and (2) Yankee Candle Sale (Account #4-0225.02).
- The Recap Section (actual sales) of the *Fundraising Application/Recap Forms* for the Candy Sale (Account #4-4300.01) was neither completed by the sponsor nor verified by the school treasurer. Furthermore, the fundraiser did not have the required *Sales Item Inventory Report*.
- The Recap Section (actual sales) of the *Fundraising Application/Recap Form* for the Selling Snacks and Drinks Fundraiser (Account # 4-4810.03) was neither completed by the sponsor nor verified by the school treasurer. In addition, the *Sales Item Inventory Report* was neither completed with accurate information nor reviewed and approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented on the *Fundraising Application/Recap Form*.
- Fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser Application/Recap Form* at the end of the fundraiser. The sales revenue should be reconciled to the Internal Funds accounting records.
- *Sales Item Inventory Reports* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing.
- Repeated violations of District Rules by the same employees in future audits will be forwarded to Professional Standards for further action.

Management's Response

Concur. We will follow district procedures and policies.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Three Disbursements (#12219 for \$148.28; #12242 for \$4,051.81; and #12246 for \$161.43) did not have the required Principal approved *Check Requisition Form*.
- Disbursement #12242 (for \$4,051.81) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #12228 (for \$750) for the yearbook deposit payment was incorrectly funded by the Media Center (Account #5-1700.00) instead of the Gove-Yearbook Sale (Account #7-0100.01). In addition, the *Yearbook Publication Agreement* was signed by the yearbook sponsor instead of the Principal.

- Disbursement # 12281(\$ 5,283.31) was for payment of theme park tickets for the May 2016 field trip to Orlando but did not have the required *Field Trip/Activity Planning Report and Approval Request Form*.

Recommendation

Disbursements should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and the related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. The issuance of a school check should be supported by the Principal's approved *Check Requisition*. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Pursuant to the District's ***Purchasing Manual*** and ***Internal Accounts Manual***, all Internal Funds purchases require (1) Principal's prior approval; and (2) a *Purchase Order* should be issued for the purchase in excess of \$1,000.
- All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states "*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*"
- Expenditures should be funded by the appropriate funding sources, in accordance with District's guidelines.
- Field trips should be administered in accordance with ***School Board Policy 2.40***. Specifically, (1) in-county field trips should be pre-approved by the Principal with the required documentation; and (2) out-of-county field trips should be approved by the Principal and Area Superintendent.

Management's Response

Concur. We will follow district procedures and policies.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that:

- The *Document Custodian Assignment Register (PBSD 1663)* was not maintained.
- The Data Processor was the Assigned Document Custodian for *Drop Safe Logs* and *School Checks*. However, according to the Data Processor, she only signed the *Prenumbered Document Inventory Register (PBSD 0160)* for both forms which were prepared by the Treasurer.
- One entire pad of the *Drop-safe Logs* (pages #12-25001 through #12-25050) could not be accounted for.

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*,

- A designated document custodian should be assigned for each prenumbered form; and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)* accordingly.
- To ensure all prenumbered documents are properly accounted for, the document custodian for each prenumbered document, including *Drop-safe Logs* and *School Checks*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of prenumbered forms.

Management's Response

Concur. We will follow district procedures and policies.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that leasing charges were not always collected in a timely manner. Specifically, the rentals for one lessee (*Lease Agreements* #1001, #1005, and #1008) were not collected until two to 18 days after the leasehold periods began.

Recommendation

As required by *School Board Policy 7.18 Section 7.a.*, leasing charges “are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.”

Gove Elementary School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. We will follow district procedures and policies.

**Grassy Waters Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3550 North Jog Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Jennifer Galindo
During Audit: Jennifer Galindo

Treasurer:
Fiscal Year 2016: Theresa Ferry
During Audit: Theresa Ferry

Afterschool Site Director:
Fiscal Year 2016: Carissa Hehn
During Audit: Carissa Hehn

Cash and Investments

Checking	\$ 54,608.18
Investments	
	\$ 54,608.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.57	1,656.50	458.87	3,471.94	1,391.51	3,278.63
Classes	9,451.04	29,740.75	29,230.39	2,896.14	2,887.14	9,970.40
Clubs	5,534.18	5,354.50	3,802.71	1,689.00	1,689.00	7,085.97
Departments	3,985.32	14,293.52	12,496.78	5,049.56	7,133.99	3,697.63
Trusts	50,592.33	583,252.31	605,633.62	31,619.58	31,624.58	28,206.02
General	6,578.06	18,445.50	22,654.03	1,723.89	1,723.89	2,369.53
	\$ 76,141.50	\$ 652,743.08	\$ 674,276.40	\$ 46,450.11	\$ 46,450.11	\$ 54,608.18

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the *Sales Item Inventory Report* for the Safety Patrol Coupon Book Sales (Account #6-4000.01) was not completed with all the required information. Missing information included the number of Coupon Books purchased and sold.

Recommendation

The *Sales Item Inventory Report* should be prepared and completed with all the needed information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. All monies raised through fundraisers should be accounted for accordingly.

Management's Response

Concur. Have met with sponsor to discuss documenting procedure.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that Disbursement #6426 (for \$1,816.20) was for payment to a consultant for an in-house performance. The disbursement was supported by a *Purchase and Sales Agreement* signed by the sponsor instead of the Principal. In addition, this disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.

Recommendation

Disbursements should be administered in accordance with the *Internal Accounts Manual* and the related District guidelines. Specifically, contractual agreements should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management's Response

Concur. This practice was already adjusted at the start of this year.

**Greenacres Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 405 Jackson Avenue
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Melissa Patterson
During Audit: Melissa Patterson

Treasurer:
Fiscal Year 2016: Donna Shaw
During Audit: Donna Shaw

Afterschool Site Director:
Fiscal Year 2016: Omi Lopez
During Audit: Omi Lopez

Cash and Investments

Checking	\$ 49,104.15
Investments	
	\$ 49,104.15

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	375.70	468.90	518.89	119.01	119.01	325.71
Classes	16,856.74	19,966.29	27,599.34	9,363.04	7,257.04	11,329.69
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	6,065.10	16,066.05	16,721.36	2,222.82	1,880.82	5,751.79
Trusts	30,221.22	189,919.53	187,658.22	13,756.81	16,384.81	29,854.53
General	3,807.76	682.65	2,827.98	180.00	0.00	1,842.43
	\$ 57,326.52	\$ 227,103.42	\$ 235,325.79	\$ 25,641.68	\$ 25,641.68	\$ 49,104.15

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) and at the school found that *Section 3* on three pages of the *Drop-safe Log* (#11-58169, #11-58170, and #11-58171) associated with Deposit #725 were not signed by an independent staff verifier who should verify that the collections had been recorded in the General Ledger by the treasurer.

Recommendation

To ensure proper fiscal accountability and compliance with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. A new verifier has been assigned in order to better coordinate the bookkeeper's contractual calendar.

AFTERSCHOOL PROGRAM

Finding

Repeated noncompliances with the school's Afterschool Program were noted for the following items:

- The EZ Care database (the Afterschool Program's Accounting System) was not updated in a timely manner. Specifically, a total of \$56,158.75 in subsidy payments for November 2015, through June 2016, were not recorded in the EZ Care database until August 12, 2016.
- The Aftercare Director was the designated document custodian for *SACC Receipts*, although she was also involved in the day-to day use of the receipt books and maintaining the Afterschool Program accounting records (the EZ Care database).

Recommendation

Afterschool Program should be administered as directed in the Directors' Financial Trainings. Specifically,

- To ensure the accuracy and completeness of the program's accounting records, financial transactions, including subsidy reimbursements, should be timely and accurately recorded in the EZ Care database and periodically reconciled with the Internal Funds accounting records.
- As required by *Internal Accounts Manual, Chapter 27*, "The document custodian for each form may be someone different, but it should be someone who is not involved in the day-to-day use of the form." The school should designate a staff, other than the Afterschool Site Director, as the document custodian to account for the *SACC Receipts*.

Management's Response

Concur. Written notification and directive has been provided to the Afterschool Director. A staff member has been assigned as the custodian to account for the SACC receipts.

**Grove Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 8330 North Military Trail
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2016: Eric Gross
During Audit: Jo Anne Rogers

Treasurer:
Fiscal Year 2016: Kanishia Mortin
During Audit: Gulhan Kilic

Afterschool Site Director:
Fiscal Year 2016: Patricia Almaguer
During Audit: Kanishia Mortin

Cash and Investments

Checking	\$ 65,373.81
Investments	
	\$ 65,373.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	13.90	0.00	0.00	0.00	13.90	0.00
Classes	0.00	10,566.00	10,707.00	204.00	63.00	0.00
Clubs	1,408.26	3,079.35	2,885.69	1,212.17	1,375.17	1,438.92
Departments	389.94	7,384.74	7,144.78	1,893.90	1,140.78	1,383.02
Trusts	39,257.65	119,181.47	108,381.17	823.08	990.08	49,890.95
General	7,349.72	16,275.23	10,413.81	4,549.01	5,099.23	12,660.92
	\$ 48,419.47	\$ 156,486.79	\$ 139,532.45	\$ 8,682.16	\$ 8,682.16	\$ 65,373.81

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- Three pages (#s 12-80896, 12-80898, and 12-80900) of the *Drop-safe Logs* for Fiscal Year 2016 were missing.
- Three collections, totaling \$171.07 on two pages of the *Drop-safe Log* (page #s 12-80878 and 12-80912) did not have the independent verifier information or receipt number in *Section 3*. Involved staff are no longer employed by the school to obtain an explanation for the missing information.
- *Section 3* on pages 12-49509 and 12-49510 of the *Drop-safe Log* were not completed with all the required information. Moreover, the printed *Official Receipts* were still attached to the *Log*, and the receipts should have been provided to the originating sponsors.
- The principal assigned the school nurse as the document custodian for the *Drop-safe Log*. The school nurse is, however, funded by the Health Care District of Palm Beach County, not a District employee.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”
- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff-verifier should jointly complete *Section 2* of the *Log* to confirm removal of deposits by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- *Official Receipts* generated by the Internal Funds Accounting System should be signed by the bookkeeper and provided to the activity sponsors as acknowledgment of the receipts and

recording of funds in the accounting system.

- The *Drop-safe Log* is an important part of the money-handling procedures and controls established by the District and should be adhered to by employees.

Management's Response

Concur. Assigned new, different Drop Safe Log Custodian. Met with all appropriate staff and teachers detailing procedures and routines according to policy; appropriate staff also required to attend training (Document Custodian, Internal and Field Trips); and weekly unannounced monitoring of documents and process involved.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that during May 2016, Disbursement #11262 was for the purchase of \$1,620 in meals for teacher appreciation. However, the purchase was inadvertently paid for with monies from a restricted fund designated for the hiring of tutors and purchase of laptop computers.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, expenditures should be funded by the appropriate funding sources, in accordance with District's guidelines.

Management's Response

Concur. Moving forward with actions aligned to grant compliance.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that Lease #1003 did not have the proof of insurance.

Recommendation

To protect the School District from unwarranted liability and as required by *School Board Policy 7.18*, the lessee must “provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.” This will ensure the School Board is well protected.

Management’s Response

Concur.

AFTERSCHOOL PROGRAM

Finding

The review of the Afterschool Program found that the EZ Care database (the Afterschool Program’s accounting system) had some errors. Information from six *Early Learning Coalition Subsidy Reimbursement Reports* (for December 2015 through May 2016) were not entered into the system until July 19, 2016.

Recommendation

To ensure proper fiscal accountability and accurate program financial information, Afterschool Program financial transactions should be timely recorded in the EZ Care database, and periodically reconciled to the Internal Funds records. The school should make adjustments to rectify the records.

Management’s Response

Concur.

Additional Comments

Thank you for your support in this process.

**Hagen Road Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 10565 Hagen Ranch Road
Boynton Beach, FL 33437

Principal:
Fiscal Year 2016: Robyn Saltzman
During Audit: Robyn Saltzman

Treasurer:
Fiscal Year 2016: Danyalle Torres
During Audit: Danyalle Torres

Afterschool Site Director:
Fiscal Year 2016: Sasha Lejeune
During Audit: Sasha Lejeune

Cash and Investments

Checking	\$ 45,605.97
Investments	
	\$ 45,605.97

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	133.91	150.00	0.00	16.09
Classes	9,019.92	13,763.10	16,588.12	6,675.44	12,021.58	848.76
Clubs	0.00	196.00	196.00	0.00	0.00	0.00
Departments	1,861.53	8,304.23	8,106.33	3,874.62	1,904.62	4,029.43
Trusts	16,237.37	556,466.63	542,343.78	11,883.50	13,526.34	28,717.38
General	2,049.41	24,691.29	19,615.37	15,565.28	10,696.30	11,994.31
	\$ 29,168.23	\$ 603,421.25	\$ 586,983.51	\$ 38,148.84	\$ 38,148.84	\$ 45,605.97

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for a total of \$163.70 from six sample collections was not recorded on the *Log* by the sponsor. Instead, they were recorded on the *Log* by staff when collections were removed from the drop-safe. Moreover, some sponsors did not sign on the log when dropping money into the safe.
- Three entries on the *Drop-safe Log* (page # 12-32825) were noted “returned”. According to staff, those collections were returned to the sponsors because the event was cancelled. However, the items returned were not signed/initialed by the sponsors to acknowledge the receipt of the monies collected.
- Our review of the available yellow copies of MCRs noted that some of them contained the school treasurer’s initials and the *Official Receipt* numbers. Apparently, the activity sponsors did not retain the yellow copies as required. The original MCRs and the yellow copy were both submitted to the treasurer. This same noncompliance was noted in the prior year’s audit.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*,

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the staff verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.
- Activity sponsors should keep the yellow copy of the MCR, instead of giving it to the school treasurer with the monies they collected. Keeping a copy of the MCR will assist the sponsors

in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management's Response

Concur. Teachers and staff were reminded to follow proper procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that:

- The Safety Patrol Coupon Book Sale (Account #6-4000.01) did not have the required *Sales Item Inventory Form*. A total sales revenue of \$8,480 in sales revenue was deposited into the Internal Funds during September 17 through November 10, 2015. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$8,680. As a result, \$200 in estimated revenue (or 10 coupon books) was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- *Sales Item Inventory Reports* should be fully completed with accurate information. Accurate sales records should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remained in inventory. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- OIG will refer to the Department of Professional Standards if similar findings in missing fundraising reports occur in future audits.

Management's Response

Concur. All staff running clubs were reminded about completing all necessary forms.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Supporting documentation for Disbursements #11513 and #11516 were not defaced (stamped “PAID”) after payment in order to prevent potential duplicate payments.
- Disbursement #12043 (for \$5,878.25) was supported by a vendor quote rather than a detailed invoice.
- Two purchases with the school’s P-Card during December 2015, included payments of \$31.50 and \$9.69 in sales tax. Qualified purchases should be exempted from paying sales tax.

Recommendation

- To avoid duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- The School District is a sales-tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management’s Response

Concur. P-card users were reminded and bookkeeper regarding use of “PAID” stamp on all purchases.

AFTERSCHOOL PROGRAM

Finding

The review of records for Afterschool and Summer Camp Programs found that one student received a school-based partial fee waiver for attending the Afterschool Program. However, the *Fee Waiver Application Form* was not supported by a letter from the parent stating the reason for the request. Moreover, the *Application Form* was neither signed by the parent/guardian nor approved by the Principal.

Recommendation

Afterschool Program fee waivers should be adequately documented, approved by the Principal, and periodically reviewed by the school in accordance with the *Afterschool Programs Operational Manual*.

Management's Response

Concur. Afterschool department was informed of all essential paperwork needed to be completed prior to approval of waivers.

Hammock Pointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 8400 SW 8th Street
 Boca Raton, FL 33433

Principal:
 Fiscal Year 2016: Carol Crilley/Stephanie Cook
 During Audit: Stephanie Cook

Treasurer:
 Fiscal Year 2016: Elsa Esparaza
 During Audit: Elsa Esparaza

Afterschool Site Director:
 Fiscal Year 2016: Bonnie Welch
 During Audit: Bonnie Welch

Cash and Investments

Checking	\$ 37,155.52
Investments	
	\$ 37,155.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,890.60	3,894.00	3,792.09	768.93	894.33	1,867.11
Classes	249.16	58,693.54	57,567.12	17,217.67	18,593.25	0.00
Clubs	2,643.89	6,029.30	5,268.87	433.88	571.24	3,266.96
Departments	6,203.49	6,820.00	6,399.48	1,730.00	1,710.00	6,644.01
Trusts	20,632.82	569,655.49	569,338.90	11,965.37	12,240.03	20,674.75
General	3,936.15	14,251.23	15,377.69	6,507.64	4,614.64	4,702.69
	\$ 35,556.11	\$ 659,343.56	\$ 657,744.15	\$ 38,623.49	\$ 38,623.49	\$ 37,155.52

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Smencils Sales (Account #7-0100.01) began January 19, 2016. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until January 25, 2016; i.e., four days after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur.

**Heritage Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5100 Melaleuca Lane
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Nina Lant
During Audit: Nina Lant

Treasurer:
Fiscal Year 2016: Leslie Mennella
During Audit: Leslie Mennella

Afterschool Site Director:
Fiscal Year 2016: Laura Lowman
During Audit: Laura Lowman

Cash and Investments

Checking	\$ 29,260.68
Investments	
	\$ 29,260.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	90.25	0.00	90.25
Classes	0.00	14,256.71	12,743.36	1,252.15	2,765.50	0.00
Clubs	104.78	997.27	1,097.46	0.00	4.59	0.00
Departments	6,771.47	288.94	472.90	900.07	0.00	7,487.58
Trusts	18,804.51	186,890.74	191,859.94	11,384.62	12,237.71	12,982.22
General	7,647.17	5,771.09	6,098.34	2,995.82	1,615.11	8,700.63
	\$ 33,327.93	\$ 208,204.75	\$ 212,272.00	\$ 16,622.91	\$ 16,622.91	\$ 29,260.68

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that the *Sales Item Inventory Report* for the 5th Grade T-shirt Sales (Account #7-0100.02) was not completed with all the required information. Missing information included the number of T-shirts sold, selling price, and sales revenues.

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the actual sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. We will make the necessary adjustments to our protocols.

Hidden Oaks Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 7685 S. Military Trail
 Lake Worth, FL 33463

Principal:
 Fiscal Year 2016: Sari Myers
 During Audit: Sari Myers

Treasurer:
 Fiscal Year 2016: Jennifer Martinez
 During Audit: Roberta Rivera

Afterschool Site Director:
 Fiscal Year 2016: Lauren Galluscio
 During Audit: Lauren Galluscio

Cash and Investments

Checking	\$ 61,628.79
Investments	
	\$ 61,628.79

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3.91	316.05	327.76	11.71	0.00	3.91
Classes	19,104.73	74,203.96	77,111.98	9,525.09	9,595.42	16,126.38
Clubs	3,895.97	11,955.41	4,333.69	4,918.28	11,868.15	4,567.82
Departments	6,903.23	12,743.28	11,945.12	3,391.54	3,425.57	7,667.36
Trusts	41,127.18	425,504.06	439,882.49	17,112.52	10,070.00	33,791.27
General	4,047.87	13,799.03	18,374.85	5,642.10	5,642.10	(527.95)
	\$ 75,082.89	\$ 538,521.79	\$ 551,975.89	\$ 40,601.24	\$ 40,601.24	\$ 61,628.79

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records for the Candy Bar Sales (Account #3-3400.06) found that:

- The *Sales Item Inventory Report* did not contain all the required information. Based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$2,704. However, only \$2,397.73 in sales revenue was deposited into the Internal Funds during the year. As a result, \$306.27 (\$2,704 – \$2,397.73, or 11%) in estimated revenue was unaccounted for.
- The sponsor did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- The *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge.
- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. We will ensure that all employees responsible for fundraising complete the eLearning Fundraiser Training Course annually.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

Hidden Oaks Elementary School
Management Letter
Year Ended June 30, 2016

- Two disbursements (#11325 for \$760, and #11768 for \$138) were for refund of field trip fees to students who paid for but did not attend the trips. However, both disbursements did not have supporting documentation for the students' payments.
- Two disbursements (#11367 for \$12,750 and #11368 for \$6,600) were for payment for out-of-county field trip bus costs, which were paid before the *Field Trip/Activity Planning Report and Approval Request Forms* were approved by the principal and area superintendent.
- Disbursement #11308 (\$245.45) included \$13.90 in sales tax reimbursement to an employee for a tax-exempt qualified purchase.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- School expenditures should be adequately supported by itemized invoices/receipts. As such, refund of field trip fees to students should be supported by the original payment records. Without adequate documentation, there is no assurance that the disbursements were appropriate.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, Out-of-County field trips should be pre-approved by the Principal and Regional/Instructional Superintendent.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. In the future proper documentation will be provided for all disbursements and all field trips will be approved by the principal prior to disbursing payments.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

Hidden Oaks Elementary School
Management Letter
Year Ended June 30, 2016

- The leasing information for Lease #1015 was recorded in the Tririga System. However, the school did not have a hard copy of the *Lease Agreement* that was executed with the required signatures.
- *Lease Agreement* #1039 was created April 18, 2016, for use of the school from June 1 through June 26, 2016, and July 1 through August 31, 2016, extending beyond one fiscal year, which is disallowed by ***School Board Policy 7.18***.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- ***School Board Policy 7.18***, states “*No leases shall extend beyond the end of the fiscal year unless approved by the Superintendent, or designee for good cause shown.*”

Management’s Response

Concur. This is a year round lease but we will attempt to have lessee sign the agreement prior to using the facility.

Additional Comments: *This was the school treasurer’s first year in the position.*

**Highland Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 500 Highland Avenue
Lake Worth, FL 33461

Principal:
Fiscal Year 2016: Brian Killeen
During Audit: Elizabeth Morales

Treasurer:
Fiscal Year 2016: Teresa Porter
During Audit: Teresa Porter

Afterschool Site Director:
Fiscal Year 2016: Heather Emerson
During Audit: Heather Emerson

Cash and Investments

Checking	\$ 69,282.78
Investments	
	\$ 69,282.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	35.88	104.00	104.00	0.00	0.00	35.88
Classes	10,019.89	40,768.75	39,007.49	6,910.88	7,618.12	11,073.91
Clubs	13,307.26	29,966.53	7,843.53	23,074.98	35,308.31	23,196.93
Departments	7,973.44	12,741.47	12,464.49	6,693.72	5,731.42	9,212.72
Trusts	47,979.90	133,312.09	182,116.37	17,257.17	3,079.75	13,353.04
General	24,897.79	9,709.62	19,997.96	3,831.79	6,030.94	12,410.30
	\$ 104,214.16	\$ 226,602.46	\$ 261,533.84	\$ 57,768.54	\$ 57,768.54	\$ 69,282.78

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The incoming mails were sorted and distributed by someone other than the school treasurer. However, those mails addressed to the treasurer were opened by her for processing.
- *Sections 2* on two pages of the *Drop-safe Log* (#s 14-23357 and 14-23358) were not completed with the dates and signature of the independent staff verifier.
- The school's *End-of-Year Check List 2014-2015* mistakenly instructed staff to submit the yellow copies of the MCRs and the computerized receipts to the treasurer, instead of the school secretary, for filing and future references. Moreover, only three staff members turned-in the documentation at the end of the school year.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the treasurer for deposit.
- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that activities for the Safety Patrol School Store (Account #4-4300.01) and the Uncle Jerry's T's Catalog fundraiser (Account #7-0100.01) began August 19, 2015 and October 9, 2015, respectively. However, the sponsor for these fundraisers did not complete the required eLearning Fundraiser Training until June 3, 2016.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur.

DOCUMENTATION FOR FIELD TRIPS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Disbursement #9395 (for \$36,750) was for admission and transportation for Safety Patrol field trips to Washington, D.C. However, the *Activity Roster* and *Temporary Duty Elsewhere (TDE) Forms* for staff chaperones who went on this Out-of State trip were not approved by the Area Superintendent. Also, the Out- of County trip did not have the required *Temporary Duty Elsewhere (TDE) Forms* for the staff.
- Disbursement #9542 (for \$4,365) was for the Fourth Grade field trip to St Augustine. However, the *TDE* forms for staff chaperones were neither completed by staff nor approved by the principal.

Recommendation

Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, Out-of-County field trips should be pre-approved by the Principal and Area Superintendent.

Highland Elementary School
Management Letter
Year Ended June 30, 2016

Moreover, *TDE* form should also be completed by the sponsor and pre-approved by the Principal for each field trip.

Management's Response

Concur.

H.L. Johnson Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1000 Crestwood Boulevard North
 Royal Palm Beach, FL 33411

Principal:
 Fiscal Year 2016: Patricia Lucas/William Thompson
 During Audit: Jennifer Makowski

Treasurer:
 Fiscal Year 2016: Maria Medina
 During Audit: Maria Medina

Afterschool Site Director:
 Fiscal Year 2016: Jennifer Tingler
 During Audit: Jennifer Tingler

Cash and Investments

Checking	\$ 85,518.47
Investments	
	\$ 85,518.47

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	405.29	0.00	0.00	0.00	0.00	405.29
Classes	12,167.26	55,069.65	56,206.24	1,036.56	1,036.56	11,030.67
Clubs	234.35	20.00	0.00	20.00	20.00	254.35
Departments	2,085.95	16,122.95	17,656.80	264.86	264.86	552.10
Trusts	57,729.91	541,361.33	531,425.88	7,525.32	7,525.32	67,665.36
General	8,964.32	1,769.33	5,122.95	0.00	0.00	5,610.70
	\$ 81,587.08	\$ 614,343.26	\$ 610,411.87	\$ 8,846.74	\$ 8,846.74	\$ 85,518.47

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that two P-Card transactions (October 2015, \$1,510; and \$1,200) exceeded the \$1,000 per vendor daily limit, without prior approval from the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, P-Card purchases in excess of \$1,000 requires prior approval of the Purchasing Department.

Management's Response

Concur. Proper procedure will be followed in the future.

**Hope Centennial Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5350 Stacy Street
West Palm Beach, FL 33417

Principal:
Fiscal Year 2016: Awilda Tomas-Andres
During Audit: Awilda Tomas-Andres

Treasurer:
Fiscal Year 2016: Elizabeth Biaggi
During Audit: Elizabeth Biaggi

Afterschool Site Director:
Fiscal Year 2016: Danielle Cole
During Audit: Danielle Cole

Cash and Investments

Checking	\$ 19,946.79
Investments	
	\$ 19,946.79

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,408.28	0.00	571.40	0.00	0.00	836.88
Classes	1,215.04	5,232.00	5,470.45	596.30	583.80	989.09
Clubs	699.09	11,089.00	5,434.87	3,623.49	7,658.69	2,318.02
Departments	2,301.13	3,131.89	4,153.67	812.33	812.33	1,279.35
Trusts	12,137.22	87,854.81	93,684.47	6,522.24	2,658.09	10,171.71
General	4,328.68	8,820.44	8,955.93	3,369.86	3,211.31	4,351.74
	\$ 22,089.44	\$ 116,128.14	\$ 118,270.79	\$ 14,924.22	\$ 14,924.22	\$ 19,946.79

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The independent staff verifier did not always initial/sign *Section 3* of the *Drop-safe Logs* after confirming that the collections had been recorded into the General Ledger by the school treasurer. For example, 19 collections recorded on seven pages (#14-41109, #14-41118, #14-41145, #14-41147, #14-27928, #14-27916, and #14-27934) of the *Drop-safe Log* were not signed by the independent staff verifier.
- The information for three deposits, totaling \$744.53, collected during May 6, through 10, 2016, were recorded on blank paper instead of the *Drop-safe Log* because blank *Logs* were unavailable. According to staff, the Document Custodian was unable to fulfil her responsibilities because of health reasons.

Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the 2012 Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- To ensure proper fiscal accountability and compliance with *Internal Accounts Manual* and with *Bulletin #P-14051-S/CFO*, responsible staff should properly complete the prenumbered *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the staff verifier should also complete *Section 3* of the *Log* after the treasurer has entered the deposit information into the school's accounting system.
- Prenumbered *Drop-safe Logs* should be available to staff at all times to record collections.

Management's Response

Concur. Employee was counselled and additional blank drop safe logs are on hand with the document custodian. A sign has been posted for staff to not enter information on anything other than the drop safe log. The document custodian for this year was changed. Staff and teachers have been trained.

Indian Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6000 Oak Royal Drive
Lake Worth, FL 33463

Principal:
Fiscal Year 2016: Jill Robinson
During Audit: Jill Robinson

Treasurer:
Fiscal Year 2016: Mayra Hernandez
During Audit: Mayra Hernandez

Afterschool Site Director:
Fiscal Year 2016: Marie Charles
During Audit: Marie Charles

Cash and Investments

Checking	\$ 39,783.84
Investments	
	\$ 39,783.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	4,552.64	3,576.00	4,463.56	1,586.58	1,586.58	3,665.08
Classes	877.88	12,978.90	10,535.83	652.24	2,888.69	1,084.50
Clubs	6,477.43	39,936.25	34,179.99	9,901.38	8,730.82	13,404.25
Departments	1,043.96	5,101.33	5,049.82	0.00	0.00	1,095.47
Trusts	13,714.91	112,277.37	107,172.36	411.00	667.74	18,563.18
General	826.13	2,650.89	2,828.29	1,347.63	25.00	1,971.36
	\$ 27,492.95	\$ 176,520.74	\$ 164,229.85	\$ 13,898.83	\$ 13,898.83	\$ 39,783.84

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

The sponsors of the following fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Safety Patrol Candy Bars Sponsor #1	#4-4300.07	1/19/2016	6/3/2016
Safety Patrol Candy Bars Sponsor #2	#4-4300.07	1/19/2016	Did not complete

- The *Sales Item Inventory Report* for the Safety Patrol Candy Bar Sale (Account #4-4300.07) was not completed with all the required information. Missing information included the quantity of candy bars sold, given away, missing, selling price per item, and sales revenues.
- The *Sales Item Inventory Report* for the Music Polo Shirts (Account #2-3500.01) was completed with incorrect information. A total of \$1,221 in sales revenue was deposited into the Internal Funds. However, Based on the school’s purchasing records and *Sales Item Inventory Report*, this fundraiser should have generated up to \$760. There was no explanation for the excess deposited sales revenue. Furthermore, the cost of the shirts was listed as the selling price.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. As of this audit, any staff member that is interested in conducting a fundraising event must attach to their request a copy of their completion certificate from the eLearning Management Fundraising course before approval.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- The school did not have a hard copy of the *Lease Agreements #1008* with all the required signatures.
- *Lease Agreement #1005* was not signed by a witness.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should maintain a properly executed hard copy with all the required signatures.

Concur. As of this audit, the bookkeeper and leasing coordinator reviewed the leasing procedures. Both parties will also keep copies of all leasing agreements and partner check each other's work.

J.C. Mitchell Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 2470 NW 5th Avenue
 Boca Raton, FL 33431

Principal:
 Fiscal Year 2016: Joan Pierre-Jerome
 During Audit: Joan Pierre-Jerome

Treasurer:
 Fiscal Year 2016: Laura Sattler
 During Audit: Laura Sattler

Afterschool Site Director:
 Fiscal Year 2016: Lisa Faustini
 During Audit: Lisa Faustini

Cash and Investments

Checking	\$ 48,858.78
Investments	
	\$ 48,858.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	3,789.17	3,302.75	3,211.14	504.85	504.85	3,880.78
Classes	7,030.41	9,546.77	8,087.00	1,061.79	1,553.78	7,998.19
Clubs	224.63	200.00	158.00	8.00	8.00	266.63
Departments	8,358.25	15,496.37	16,727.09	4,702.18	4,677.65	7,152.06
Trusts	22,416.85	434,586.27	431,585.78	10,796.00	11,520.58	24,692.76
General	8,697.90	13,563.42	18,585.00	5,112.31	3,920.27	4,868.36
	\$ 50,517.21	\$ 476,695.58	\$ 478,354.01	\$ 22,185.13	\$ 22,185.13	\$ 48,858.78

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- *Section 2 of the Drop-safe Log* was signed only by the school treasurer. There is no evidence that an independent verifier was present to verify the deposit information when the safe was opened.
- Numerous collections were marked on the *Drop-safe Log* “unposted, back to sponsor” or “no MCR.” According to staff, these collections were not ready for deposit, and were returned to the sponsors for clarification. However, there were no records to document that the monies were actually returned to and received by the sponsors.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the monies collected into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.

Management’s Response

Concur. My treasurer was not aware of this change in procedure. Once we were informed by the Auditor, the correction was made and two staff members sign the log. The treasurer and I met regarding this issue and the situation was resolved and corrected immediately. Thank you.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Safety Patrol Coupon Book Sale (Account 6-4000.04) had a total sales revenue of \$8,980, which was deposited into the Internal Funds during August 18, 2015, through September 29, 2015. However, based on the school's purchasing records and the *Sales Item Inventory Report*, this fundraiser should have generated a total estimated revenue of \$9,260. As a result, \$280 in estimated revenue was unaccounted for.
- The *Sales Item Inventory Report* for the Yearbook Sale (Account 7-0100.02) indicated that 285 yearbooks were sold and 32 yearbooks remained in inventory. However, the school's purchasing records indicated that 325 yearbooks were purchased. As a result, eight yearbooks with a resale value of \$200 were unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To protect the school's best interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all needed information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

Management's Response

Concur. Sales item inventory will be accurately completed with all needed information. School Treasurer will review the School District of Palm Beach County's School Board Policy 2.16 and all related District guidelines. This correction will be made continuously for the remainder of the year.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

J.C. Mitchell Elementary School
Management Letter
Year Ended June 30, 2016

- Two disbursements (#11500 for \$1,274.85, and #11517 for \$1,118) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Two P-card purchases totaling \$118.55 during December 2015, did not have any supporting documentation for the expenses.
- Disbursement #11467 for \$100 was for the change fund for the Fall Book Fair. This disbursement did not have any supporting documentation. Moreover, the issuing a check to establish a change fund is contrary to the requirements of *Internal Accounts Manual*, Chapter 10.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- A *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- All expenses should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Change Fund should be established in accordance with Chapter 10 of the *Internal Accounts Manual*. The school should contact Accounting Services to activate the Cashbox module in School Cash. In addition the school should go to the Treasury Department's website and complete a *Request for Change Form*.

Management's Response

Concur. All disbursement procedures will be administered in accordance with Internal Accounts Manual, purchasing Card Procedures (Purchasing Manual Chapter 24) and related District guidelines. The principal and School Treasurer reviewed the procedures and will work together.

Additional comments

The principal and school treasurer met to review the results of this audit twice (once with the auditor and the second time when the final report was issued) corrective measures are in place.

**Jerry Thomas Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 800 Maplewood Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Michael Rieckenberg
During Audit: Michael Rieckenberg

Treasurer:
Fiscal Year 2016: Doralien Ciarmella
During Audit: LaShante Henderson

Afterschool Site Director:
Fiscal Year 2016: Lisa Borrie
During Audit: Lisa Borrie

Cash and Investments

Checking	\$ 66,502.78
Investments	
	\$ 66,502.78

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.25	0.00	99.00	100.00	0.00	1.25
Classes	3,210.75	67,570.93	68,135.45	4,209.84	5,523.06	1,333.01
Clubs	6,053.50	22,013.30	11,055.95	4,223.51	12,632.56	8,601.80
Departments	8,261.64	6,223.22	6,444.93	300.00	0.00	8,339.93
Trusts	39,474.95	455,874.69	456,061.90	13,782.94	7,747.73	45,322.95
General	2,379.35	12,025.87	14,788.44	5,237.77	1,950.71	2,903.84
	\$ 59,380.44	\$ 563,708.01	\$ 556,585.67	\$ 27,854.06	\$ 27,854.06	\$ 66,502.78

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the Yearbooks (Account #7-0100.01) did not have the required *Fundraising Application/Recap* form and *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the legitimacy for any items that were given-away or missing.
- Failure to prepare the related reports for fundraisers defeat the purpose of controls and could result in undetected loss of school assets. Future repeated violations in this finding by the same sponsor will be reported to Personnel for further action.

Management's Response

Concur. Fundraise will be pre-approved and documented onto appropriate forms. Also, the Sales Item Inventory Report will be prepared and completed.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- One P-Card purchase for \$24.99 that occurred in March 2016 did not have any supporting documentation for the expense.

- One P-Card purchase for \$1,314.04 on March 22, 2016, exceeded the \$1,000 per vendor daily limit, without prior approval from the Purchasing Department.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- All disbursements, including those for P-Card purchases, should be adequately documented and supported by itemized invoices or receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- P-Card purchases in excess of \$1,000 requires prior approval of the Purchasing Department.

Management's Response

Concur. Receipts will be with each purchase and approval will be acquired for purchases over \$1,000.

**Jupiter Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 200 South Loxatatchee Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Daniel Smith
During Audit: Daniel Smith

Treasurer:
Fiscal Year 2016: Beatriz Sarmiento
During Audit: Beatriz Sarmiento

Afterschool Site Director:
Fiscal Year 2016: Cheri Rosen
During Audit: Cheri Rosen

Cash and Investments

Checking	\$ 80,230.41
Investments	
	\$ 80,230.41

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	50.87	250.00	66.96	0.00	0.00	233.91
Classes	10,454.44	23,986.05	20,746.73	7,642.52	12,932.29	8,403.99
Clubs	504.96	600.00	402.37	0.00	0.00	702.59
Departments	11,923.85	3,694.62	9,599.20	0.00	0.00	6,019.27
Trusts	66,620.31	344,300.42	352,699.56	8,135.56	7,654.56	58,702.17
General	2,455.33	6,283.92	7,379.54	6,513.78	1,705.01	6,168.48
	\$ 92,009.76	\$ 379,115.01	\$ 390,894.36	\$ 22,291.86	\$ 22,291.86	\$ 80,230.41

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents revealed that the school did not have the *Prenumbered Document Inventory Registers (PBSD0160)* for the *Drop-Safe Log and School Checks*.

Recommendation

Prenumbered documents should be periodically inventoried in accordance with the inventory schedule, and documented on the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. Have a new person assigned to inventory and will make sure inventory reports are collected and stored at the end of the year. The record custodian was the AP who retired mid-year. The position was filled with an interim AP for 4 months when a permanent AP was assigned and the 3rd person in the office last year. In all of the transitions the documents mistakenly got lost.

Jupiter Farms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 17400 Haynie Lane
 Jupiter, FL 33478

Principal:
 Fiscal Year 2016: Suzanne Matuella
 During Audit: Suzanne Matuella

Treasurer:
 Fiscal Year 2016: Carolyn Santos
 During Audit: Carolyn Santos

Afterschool Site Director:
 Fiscal Year 2016: Jenny Giambagno
 During Audit: Jenny Giambagno

Cash and Investments

Checking	\$ 41,964.60
Investments	
	\$ 41,964.60

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,918.56	251.55	806.28	146.62	146.62	2,363.83
Classes	939.11	49,632.54	47,958.35	4,371.89	5,290.08	1,695.11
Clubs	9,533.54	3,824.33	7,002.27	542.40	496.40	6,401.60
Departments	4,474.82	26,122.98	37,876.64	10,000.00	211.26	2,509.90
Trusts	25,778.49	389,104.68	377,156.27	13,860.86	24,473.70	27,114.06
General	2,854.22	16,208.06	18,878.47	2,225.29	529.00	1,880.10
	\$ 46,498.74	\$ 485,144.14	\$ 489,678.28	\$ 31,147.06	\$ 31,147.06	\$ 41,964.60

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of the school's fundraising activities found that a total of \$17,425.03 in sales revenue was deposited into the Safety Patrol DC Trip Enjoy the City Fundraiser Account (#6-4000.01). According to the *Sales Item Inventory Report*, 936 Coupon Books were sold at \$20 each, which should have generated a total estimated revenue of \$18,720 (\$20 x 936). As a result, \$1,294.97 (\$18,720 - \$17,425.03) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. Several actions have been put into place this year to ensure fundraising paperwork and estimation and actual are closely monitored. A checklist and sign out sheets have been created.

K.E. Cunningham/Canal Point Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 37000 Main Street
Canal Point, FL 33438

Principal:
Fiscal Year 2016: Derrick Hibler
During Audit: Derrick Hibler

Treasurer:
Fiscal Year 2016: Michele Griffin
During Audit: Michele Griffin

Cash and Investments

Checking	\$ 18,036.25
Investments	
	\$ 18,036.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	480.06	10,000.00	9,447.22	0.00	986.88	45.96
Classes	2,876.81	5,098.40	7,549.14	30.00	456.07	0.00
Clubs	7,161.42	6,401.23	8,148.88	7,711.23	5,002.23	8,122.77
Departments	539.52	158.56	437.19	19.50	10.00	270.39
Trusts	20,035.16	202,126.76	214,650.87	4,178.72	4,147.87	7,541.90
General	2,165.24	20,036.86	18,810.47	7,887.36	9,223.76	2,055.23
	\$ 33,258.21	\$ 243,821.81	\$ 259,043.77	\$ 19,826.81	\$ 19,826.81	\$ 18,036.25

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for the Yearbook (Account #7-0100.07) and Spirit Shirts (Account #7-0100.11) did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- There was no *Fundraising Application/Recap Form* or *Sales Item Inventory Report* for the Yearbook (Account #7-0100.07).
- The *Sales Item Inventory Report* for Beads, Bracelets and Masks (Account #7-0100.13) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be properly prepared and completed with accurate information for each fundraiser and be approved by the principal. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue.

Management's Response

Concur. We are correcting this for the future. This issue involved transferring from one sponsor to another sponsor, which caused this issue to be overlooked.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- One disbursement (#10456 for \$1,308.57) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- One disbursement (#10395 for \$345) for the rental of a bounce house was supported with a *School District Consultant Agreement (PBSD 1420)* but, did not have proof of the vendor's liability insurance.
- Two disbursements (#10481 for \$1,000 and #10482 for \$1,000) for consultants were supported with the *School District Consultant Agreements (PBSD 1420)*, but were not supported with invoices from the consultants.
- One disbursement (#10374 for \$300) was made directly to a District employee as a stipend from a grant received to assist students in eating healthy. This payment should have been made through the supplementary payroll process.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- *Purchase Orders* should be issued for purchases in excess of \$1,000. This is to ensure that funds are or will be available for the purchases, and all purchases are approved by the Principal.
- To protect the School District from unwarranted liability, rental of a bounce house should follow the guidelines as provided by the District's *Special Events Guide for Insurance Loss Prevention*. For inflatables, the school should "*obtain a Certificate of Insurance and an endorsement naming the School Board of Palm Beach County as Additional Insured on the policy. The vendor/service provider must also sign a Hold Harmless Agreement, (PBSD 2496).*"
- All disbursements should be supported with an invoice or itemized receipt. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

K. E. Cunningham/Canal Point Elementary School
Management Letter
Year Ended June 30, 2016

- District employees should be paid through the supplementary payroll process according to the appropriate rate schedule.

Management's Response

Concur. We are correcting this for the future. My bookkeeper is learning this process and will monitor more carefully.

Additional comments

For the future, these areas will be more closely monitored so District Policies will be adhered to.

**Lake Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 410 3rd Street
Lake Park, FL 33403

Principal:
Fiscal Year 2016: Valerie Reddick-Mason
During Audit: Michelle Goncalves-Fleming

Treasurer:
Fiscal Year 2016: Patty Gomez
During Audit: Patty Gomez

Afterschool Site Director:
Fiscal Year 2016: Martha Christie-Patrick
During Audit: Martha Christie-Patrick

Cash and Investments

Checking	\$ 15,632.53
Investments	
	\$ 15,632.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	38.67	0.00	0.00	0.00	0.00	38.67
Classes	498.67	3,639.75	3,994.74	801.75	662.75	282.68
Clubs	7,305.77	9,497.50	5,360.87	5,844.52	12,025.15	5,261.77
Departments	2,426.18	3,324.94	2,825.57	845.52	861.52	2,909.55
Trusts	3,438.66	54,347.88	57,307.22	6,316.19	195.32	6,600.19
General	42.68	4,173.55	3,613.32	611.79	675.03	539.67
	\$ 13,750.63	\$ 74,983.62	\$ 73,101.72	\$ 14,419.77	\$ 14,419.77	\$ 15,632.53

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The *Drop-safe Logs* for 15 collections (12 from the Afterschool Program and three from other sponsors) were marked as “do not deposit” or “uncounted.” According to staff, these collections were not ready for deposit and were returned to the respective sponsors for clarification. However, there were no records to document that the monies were returned to and received by the sponsors.
- During the audit, we noted that Incoming mails were sorted and distributed by someone other than the school treasurer. However, payments received in the mail and incoming mails addressed to the treasurer, except bank statements, were opened by her for processing.

Recommendation

Money collections should be administered in accordance with the *Internal Accounts Manual* and District guidelines. Specifically,

- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections are returned to them for clarification.
- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to depositing the payments into the drop-safe.

Management's Response

Concur. Uncounted deposits are always dropped in locked deposit bags by the sponsors. Once they retrieve the funds from the safe, they process and drop them back into the safe the same day. In the future, the sponsor will sign that they received their locked deosit bag on the drop safe log.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #10654 (for \$68.91) for an employee reimbursement for food items for the kindergarten thanksgiving celebration was supported by a receipt for \$16.95 which included a rebate coupon of \$51.96. Consequently, the school over-reimbursed the employee by \$51.96.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, all disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. The school should recoup the \$51.96 overpayment from the employee.

Management's Response

The rebate used was a personal one (same as personal cash) and not a school rebate. Therefore, it was viewed as personal funds and reimbursed to the employee. We will make sure this type of transaction does not occur in the future.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records revealed that \$82.14 in tuition fee was not collected from one student who was enrolled in the Afterschool Program beginning January 11, 2016. The student's account was charged only for the second biweekly installment for January. Consequently, the student was undercharged a total of \$82.14.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and the *Afterschool Programs Operational Manual*. Specifically, as required by *Bulletin EP 16-008 CAO*, "payment of the first biweekly installment (or the month in full) is due at registration or prior to student attendance. Tuition for the full month of service is required regardless of enrollment during the first two weeks of the month."

Management's Response

Concur. This will not happen in the future. We will closely follow Afterschool Programs regulations as stated in the Operational Manual.

Additional Comments

Thank you for presenting the audit findings. I became the principal here in June 2016, I will closely monitor the internal accounts and maintain integrity.

**Lantana Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 710 West Ocean Avenue
Lantana, FL 33462

Principal:
Fiscal Year 2016: Janyn Robinson
During Audit: Janyn Robinson

Treasurer:
Fiscal Year 2016: Danielle McNeely
During Audit: Danielle McNeely

Afterschool Site Director:
Fiscal Year 2016: Denise Sasiain
During Audit: Denise Sasiain

Cash and Investments

Checking	\$ 17,427.68
Investments	
	\$ 17,427.68

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	480.29	14,361.64	12,036.16	2,536.28	2,446.29	2,895.76
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	843.31	2,717.83	2,945.24	598.44	598.44	615.90
Trusts	12,512.63	164,500.27	168,092.53	2,444.47	2,683.47	8,681.37
General	2,451.11	12,474.19	9,839.66	3,475.08	3,326.07	5,234.65
	\$ 16,287.34	\$ 194,053.93	\$ 192,913.59	\$ 9,054.27	\$ 9,054.27	\$ 17,427.68

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school revealed that the school's *End-of-Year Checklist* instructed staff to turn-in all the yellow copies of MCRs to the treasurer instead of the school secretary. This is contrary to the requirements of District procedures.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"

Management's Response

Concur. The End-of-Year Checklist has been revised. Yellow copies of the MCR will now go to the School Secretary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Book Fair (Account #5-1700.01) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. Email expectation at the beginning of the year, check for completion before signing the fundraising form.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that Disbursement #11268 (for \$707.34) was for purchase of yearbooks. However, the disbursement was supported by a three year printing agreement signed by the sponsor instead of the Principal.

Recommendation

Contractual agreements should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management’s Response

Concur. Email this expectation to the yearbook sponsor. Principal will review contract in the beginning of the year.

Liberty Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6601 Constitution Way
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Joseph Schneider
During Audit: Joseph Schneider

Treasurer:
Fiscal Year 2016: Liliana Campos
During Audit: Liliana Campos

Afterschool Site Director:
Fiscal Year 2016: Elizabeth Negron
During Audit: Elizabeth Negron

Cash and Investments

Checking	\$ 19,580.87
Investments	
	\$ 19,580.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	904.52	17,200.25	16,693.53	685.20	2,096.44	0.00
Clubs	1,142.90	260.00	330.00	0.00	0.00	1,072.90
Departments	3,229.17	14,881.36	12,848.44	7,621.35	7,665.95	5,217.49
Trusts	12,192.02	214,627.00	222,411.22	6,514.45	6,960.81	3,961.44
General	11,370.50	13,392.96	17,336.62	2,933.73	1,031.53	9,329.04
	\$ 28,839.11	\$ 260,361.57	\$ 269,619.81	\$ 17,754.73	\$ 17,754.73	\$ 19,580.87

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that *Section 3* for three pages of the *Drop-safe Log*, (pages #14-27130, 14-33093, and 14-33094) were not initialed by the staff verifier after the treasurer entered the deposit information into the Internal Funds Accounting System.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, to ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, (1) the treasurer and an independent staff should jointly verify the contents of the safe against *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing, and (2) the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Will review procedures for proper removal of monies from safe.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that the *Sales Item Inventory Report* for the Yearbook (Account #7-0100.04) was not completed with accurate information. Based on the school's accounting records, yearbooks were sold at \$12 and \$15. However, the sponsor mistakenly listed the purchase cost of \$10 as the selling price on the *Sales Item Inventory Report* for computing estimated revenues.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue.

Management's Response

Concur. Will review fundraising paperwork procedures with the sponsor of the yearbook club.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #17939 (for \$2,184.75) was for purchase of the yearbooks. However, the disbursement was supported by an agreement that was signed by the Assistant Principal, instead of the Principal.

Recommendation

All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management's Response

Concur. Although AP had oral authorization from Principal, Principal will sign future contracts.

SUMMER CAMP PROGRAM

Finding

The review of the Afterschool Program and Summer Camp Programs found that the 2016 Summer Camp Program had a year-end deficit of \$1,862.73 as of June 30, 2016.

Recommendation

Afterschool and Summer Camp Programs should be self-sufficient funded by user-fees. To ensure fiscal accountability, the school should monitor closely the program's financial condition to ensure that program expenditures will not exceed revenues.

Management's Response

Concur. Funds were transferred in January. There is no longer a deficit in the program.

**Lighthouse Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4750 Dakota Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Julie Hopkins
During Audit: Julie Hopkins

Treasurer:
Fiscal Year 2016: Stephanie Schultz
During Audit: Stephanie Schultz

Afterschool Site Director:
Fiscal Year 2016: Marie Delizia
During Audit: Marie Delizia

Cash and Investments

Checking	\$ 52,509.07
Investments	
	\$ 52,509.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	34,703.52	32,094.83	3,380.22	4,916.66	1,072.25
Clubs	3,682.02	1,575.00	1,041.86	0.00	1,768.19	2,446.97
Departments	12,501.79	30,675.83	34,307.31	5,051.25	5,026.23	8,895.33
Trusts	30,917.36	581,661.61	579,990.27	928.00	3,097.73	30,418.97
General	7,407.47	24,069.83	27,251.09	11,947.84	6,498.50	9,675.55
	\$ 54,508.64	\$ 672,685.79	\$ 674,685.36	\$ 21,307.31	\$ 21,307.31	\$ 52,509.07

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Coupon Books (Account #7-0100.04) began October 5, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until February 10, 2016; i.e. four months after the fundraiser activity began.

Recommendation

To ensure staff is familiar with and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. All teachers of sponsored fundraisers must demonstrate evidence of completed trainings prior to approval by administration.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that leasing charges for two sample leases were not always collected prior to the use of facilities by lessees. Specifically, leasing charges for two leases (#1001 and #1002) were not always collected prior to the use of the facilities. Delays ranged from five to 26 days.

Recommendation

School Board Policy 7.18, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management's Response

Concur. All leases must submit payment at least 48 hours prior to use of the facility or they will not be leased the space.

**Limestone Creek Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6701 Church Street
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Suzanne Gibbs
During Audit: Maria Lloyd

Treasurer:
Fiscal Year 2016: Melinda McDowell
During Audit: Melinda McDowell

Afterschool Site Director:
Fiscal Year 2016: Cindy Williams
During Audit: Cindy Williams

Cash and Investments

Checking	\$ 76,531.72
Investments	
	\$ 76,531.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	147.22	4,415.91	2,452.94	127.05	127.05	2,110.19
Classes	8,781.54	74,065.97	85,013.13	30,536.66	15,928.10	12,442.94
Clubs	4,481.81	32,318.51	19,593.88	2,178.40	12,919.34	6,465.50
Departments	16,147.49	31,246.36	29,632.82	8,084.24	8,084.24	17,761.03
Trusts	32,757.43	450,327.59	445,959.98	15,945.33	22,065.78	31,004.59
General	11,383.32	16,082.84	22,971.52	4,902.39	2,649.56	6,747.47
	\$ 73,698.81	\$ 608,457.18	\$ 605,624.27	\$ 61,774.07	\$ 61,774.07	\$ 76,531.72

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- The *Drop-safe Log* was not always completed with all the required information. For example, Section 1 for four pages (#12-68239, 12-68240, 12-68288, and 12-68289) of the *Log* was not completed with the dates of collection.
- MCRs were not always completed with all the required information. For example, MCR #735-2 did not include the date of collection. Furthermore, the check number for one payment (\$179) collected through MCR #735-15 was not indicated on the related MCR.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically, to ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*,

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete Section 1 of the *Log* before dropping off the collections into the safe.
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter's signature, payer's name, dollar amount, and check number when appropriate.

Management's Response

Concur. Staff training on the monies collected process is ongoing. Teachers and account sponsors are required to take training as outlined in Bulletin #17-057 in eLearning. Also at beginning of school year monies collected procedures are reviewed. During the year noncompliance areas are also pointed out.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraising activities found that one sponsors for the Patrol – World’s Finest Chocolate Sale (Account #4-4300.01) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.

Management’s Response

Concur. Fundraiser form was filled out in error and included a name of an individual that was not involved in collecting money for the fundraiser. Going forward we will verify fundraising form is filled out correctly and required eLearning training is completed.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found *Lease Agreement* #1024 did not have the dates of signatures of the lessee or witness.

Recommendation

To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees.

Management’s Response

Concur. The lease was signed but the lease agreement was missing a date by the signature. We will review our leases to make sure they have dates by the signature lines.

Lincoln Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1160 Avenue "N"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Tracy Sims
During Audit: Alicia Porter

Treasurer:
Fiscal Year 2016: JoAnn Berry
During Audit: JoAnn Berry

Afterschool Site Director:
Fiscal Year 2016: Kenneth Anders
During Audit: Kenneth Anders

Cash and Investments

Checking	\$ 10,059.54
Investments	
	\$ 10,059.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	424.55	42.00	0.00	0.00	0.00	466.55
Classes	290.50	3,186.25	3,366.10	366.85	336.75	140.75
Clubs	2,460.09	1,284.00	3,457.04	0.00	0.00	287.05
Departments	2,296.25	6,022.96	5,896.70	2,167.45	2,167.45	2,422.51
Trusts	4,827.92	47,299.68	45,756.80	3,252.02	2,742.12	6,880.70
General	708.41	907.59	1,214.02	620.80	1,160.80	(138.02)
	\$ 11,007.72	\$ 58,742.48	\$ 59,690.66	\$ 6,407.12	\$ 6,407.12	\$ 10,059.54

DEPOSIT OF MONIES

Finding

The review of the money collection process and samples of *Monies Collected Reports* (MCRs) and at the school found that \$766.99 collected through 5 MCRs (#s 356-2, 383-1, 383-3, 410-6, and 410-12) was retained by the sponsor for one to three working days before it was put into the drop-safe for deposit.

Recommendation

DOE Rules and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. Through staff training, reiterate to staff the policy of dropping money the same day money was collected and logging information onto the drop safe log form on top of the safe.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- Activities for the Safety Patrol Pizza Card Sales (Account #6-4000.04) began September 21, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until February 23, 2016; i.e., five months after fundraiser activities began.
- The *Sales Item Inventory Reports* for the Safety Patrol Snack Sales (Account #6-4000.05) were not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines.

Lincoln Elementary School
Management Letter
Year Ended June 30, 2016

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Through staff training, ensure staff is familiar with and complies with the updated fundraising procedures and sponsor will complete required course on eLearning annually. Principal will confirm ending inventory of all fundraisers.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #7661 for (\$82.56) did not have adequate supporting documentation for the expense. The expenditure was supported by an Order Form with handwritten amounts, instead of an itemized invoice or receipt.
- Although the *Check Requisitions* for sample disbursements were defaced (stamped "PAID"), supporting documentation such as invoices/receipts were not defaced after payment in order to prevent potential duplicate payments.
- Two Disbursements #7675 and #7690 (totaling \$349.94) included \$3.93 in sales tax reimbursement to employees for a tax-exempt qualified purchases.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To avoid duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

Lincoln Elementary School
Management Letter
Year Ended June 30, 2016

- The School District is sales tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. Bookkeeper will keep adequate documentation supporting disbursements. All supporting documentation will be stamped paid, and sales tax will not be paid for qualified purchases.

**Loxahatchee Groves Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 16020 Okeechobee Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: Richard Myerson
During Audit: Richard Myerson

Treasurer:
Fiscal Year 2016: Iraida Areyzaga
During Audit: Iraida Areyzaga

Afterschool Site Director:
Fiscal Year 2016: Leslie Adams
During Audit: Daniel Hudspeth

Cash and Investments

Checking	\$ 56,988.94
Investments	
	\$ 56,988.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	128.02	128.02	50.00	0.00	50.00
Classes	2,024.05	24,111.15	25,423.14	7,468.51	6,525.66	1,654.91
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	2,748.73	12,771.91	12,615.35	2,462.51	2,067.54	3,300.26
Trusts	41,328.91	289,832.09	284,647.04	30,063.98	32,765.69	43,812.25
General	5,674.68	19,040.58	17,857.63	8,575.02	7,261.13	8,171.52
	\$ 51,776.37	\$ 345,883.75	\$ 340,671.18	\$ 48,620.02	\$ 48,620.02	\$ 56,988.94

Loxahatchee Groves Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Manatee Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 7001 Charleston Shores Boulevard
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Mary Churchill-Jones
During Audit: Mary Churchill-Jones

Treasurer:
Fiscal Year 2016: Lenita Phillips
During Audit: Lenita Phillips

Afterschool Site Director:
Fiscal Year 2016: Patricia Latona
During Audit: Patricia Latona

Cash and Investments

Checking	\$ 61,844.74
Investments	
	\$ 61,844.74

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	974.50	20,768.40	20,493.69	3,189.74	3,256.54	1,182.41
Classes	5,366.67	79,143.73	77,303.32	19,821.38	20,037.56	6,990.90
Clubs	405.70	0.00	0.00	0.00	0.00	405.70
Departments	5,982.33	17,665.58	17,487.22	4,959.81	4,903.46	6,217.04
Trusts	81,364.78	1,078,692.28	1,120,027.16	17,096.70	16,430.65	40,695.95
General	6,096.19	28,096.26	27,400.29	14,542.09	14,981.51	6,352.74
	\$ 100,190.17	\$1,224,366.25	\$1,262,711.68	\$ 59,609.72	\$ 59,609.72	\$ 61,844.74

DEPOSIT OF MONIES

Finding

Repeated noncompliance with *Drop-safe Log* procedures were noted. Specifically, *Section 3* on six pages (#'s 14-39097 through 14-39100 and 14-39194 through 14-39195) of the *Log* for 70 collections were not signed by an independent staff who should have verified that the collections had been recorded in the General Ledger by the school treasurer.

Recommendation

To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Repeated violation of District Rules by the same employee will be forwarded to Professional Standards for appropriate action.

Management's Response

Concur. The staff member who is responsible will complete the log during a specific time of the day where she is uninterrupted.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that activities for the Yearbook Sales (Account #7-0100.01) began August 21, 2015. However, the sponsor for this fundraiser did not complete the required eLearning Fundraiser Training course until January 29, 2016 161 days after fundraiser activities began.

Recommendation

To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. Teachers will complete all required trainings during pre-school week and/or as soon as the trainings are made available.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases revealed that the school did not always process payments for purchases in a timely manner. For example, the warehouse club credit card statement for summer camp purchases, totaling \$1,292.13, was not processed for payment until the due date. This delay in payment resulted in \$72.32 of late fees and interest charges. This credit card has since been closed by the school.

Recommendation

To ensure accurate financial reporting and compliance with *Florida Prompt Payment Act*, the school should timely process payments for all invoices.

Management's Response

Concur. This specific credit card account has been closed. All other credit card purchases will be handled through the District invoices.

AFTERSCHOOL PROGRAM

Finding

The EZ Care database (the Afterschool Program's Accounting System) was not updated in a timely manner. Specifically, a total of \$7,417.81 in subsidy payments for February 2016 through June 2016, were not recorded in the EZ Care database. As a result, the EZ Care database could not be reconciled to the Internal Funds accounting records.

Recommendation

To ensure the accuracy and completeness of the program's accounting records, financial transactions, including subsidy reimbursements, should be timely and accurately recorded in the EZ Care database and periodically reconciled with the Internal Funds accounting records.

Management's Response

Concur. The Afterschool Director will monitor the timely inputting of the subsidy report that is received biannually from the Afterschool Department. Specific duties and the designation of staff will be determined to ensure a timely inputting of information. The Afterschool Director will inform administration when activities are completed for both intervals.

Marsh Pointe Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 12649 Ibiza Drive
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2016: Maureen Werner
During Audit: Maureen Werner

Treasurer:
Fiscal Year 2016: Christine Grusman
During Audit: Christine Grusman

Afterschool Site Director:
Fiscal Year 2016: Erika Latson
During Audit: Josephine Costa

Cash and Investments

Checking	\$ 173,872.95
Investments	
	\$ 173,872.95

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	5,158.69	7,988.70	6,751.01	4,595.06	4,615.06	6,376.38
Classes	4,311.46	78,651.94	75,227.54	13,892.95	13,958.40	7,670.41
Clubs	14,350.27	10,221.24	13,174.92	6,936.25	6,639.65	11,693.19
Departments	15,088.61	47,556.83	39,341.01	27,000.42	26,746.40	23,558.45
Trusts	119,669.58	750,749.68	742,811.10	70,682.43	74,385.60	123,904.99
General	6,935.34	5,162.17	14,665.98	4,047.29	809.29	669.53
	\$ 165,513.95	\$ 900,330.56	\$ 891,971.56	\$ 127,154.40	\$ 127,154.40	\$ 173,872.95

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that monies collected were not always deposited in a timely manner. For example, \$351 collected through MCR #667-15 and #667-20 were retained by the sponsor for 6 to 24 days before the monies were put into the drop-safe for deposit.

Recommendations

DOE Rules and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in submitting the monies for deposit could result in potential irregularities.

Management's Response

Concur. Sponsor was reminded and this should not occur again in the future.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the sponsor for the PE Shirts (Account #5-1900.01) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. All staff were reminded, AGAIN, about the training. Bookkeeper will be reminding all staff members and PTO people of the same as the same as paperwork comes in!

AFTERSCHOOL PROGRAM

Finding

The review of records for Afterschool program found that the *Afterschool Program Registration Form* for two students was missing.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically, *Afterschool Programs Registration Forms* should be completed with the needed information and signed by the parents/guardians for all students.

Management's Response

Concur. I had a new Director and lot of turnover in my aftercare program this year. Looking forward to a stable, highly trained staff next year!

**Meadow Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 956 Florida Mango Road
West Palm Beach, FL 33406

Principal:
Fiscal Year 2016: Pamela Arnette
During Audit: Valerie Zuloaga-Haines

Treasurer:
Fiscal Year 2016: Maria Konietzko
During Audit: Maria Konietzko

Afterschool Site Director:
Fiscal Year 2016: Tammy Ditmars
During Audit: Tammy Ditmars

Cash and Investments

Checking	\$ 75,305.17
Investments	
	\$ 75,305.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	970.00	811.65	0.00	25.41	132.94
Classes	2,349.65	25,107.35	23,209.65	7,388.27	7,095.87	4,539.75
Clubs	1,746.35	20,373.51	7,218.55	11,612.86	19,626.66	6,887.51
Departments	9,709.35	9,776.37	12,090.04	1,400.00	1,400.00	7,395.68
Trusts	20,733.02	324,436.91	314,024.44	14,270.78	6,260.87	39,155.40
General	16,663.26	9,243.78	8,450.05	3,812.90	4,076.00	17,193.89
	\$ 51,201.63	\$ 389,907.92	\$ 365,804.38	\$ 38,484.81	\$ 38,484.81	\$ 75,305.17

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the sponsor for the Mother's Day Cakes Sale (Account #7-0100.03) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016. Additionally, the sponsor for the Yearbook Sales (Account #7-0100.01) did not complete the training prior to the start of the fundraising activity.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically, to ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Teachers and Staff received a tracking form listing all the required trainings including the fundraising procedures and requirements. To date, all teachers and staff sponsoring fundraising events have completed the appropriate online trainings.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that Disbursement #11303 (for \$1,600) was for a payment of fundraising materials. The disbursement was supported by a contract that was signed by the sponsor instead of the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, contractual agreements should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states "the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ..."

Management's Response

Concur. Teachers and staff were notified that contractual agreements were notified that contractual agreements were to be approved and signed by the principal.

**Melaleuca Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5759 West Gun Club Road
West Palm Beach, FL 33415

Principal:
Fiscal Year 2016: Deborah Maupin
During Audit: Deborah Maupin

Treasurer:
Fiscal Year 2016: Lesia Mullet
During Audit: Lesia Mullet

Afterschool Site Director:
Fiscal Year 2016: Judith Wilson
During Audit: Judith Wilson

Cash and Investments

Checking	\$ 15,532.70
Investments	
	\$ 15,532.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	7.08	0.00	0.00	0.00	0.00	7.08
Classes	1,387.43	9,425.50	9,842.63	776.00	752.00	994.30
Clubs	1,968.45	5,380.40	4,550.07	3,201.24	3,442.24	2,557.78
Departments	2,001.04	10,216.81	9,045.95	2,472.71	2,983.70	2,660.91
Trusts	8,316.50	173,797.54	175,900.22	1,619.59	421.92	7,411.49
General	637.74	12,337.70	10,604.62	5,264.09	5,733.77	1,901.14
	\$ 14,318.24	\$ 211,157.95	\$ 209,943.49	\$ 13,333.63	\$ 13,333.63	\$ 15,532.70

Melaleuca Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Morikami Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6201 Morikami Park Road
 Delray Beach, FL 33484

Principal:
 Fiscal Year 2016: Stacey Quinones
 During Audit: Stacey Quinones

Treasurer:
 Fiscal Year 2016: Debbie Balmaceda
 During Audit: Debbie Balmaceda

Afterschool Site Director:
 Fiscal Year 2016: Teri Pavlus
 During Audit: Teri Pavlus

Cash and Investments

Checking	\$ 122,725.56
Investments	
	\$ 122,725.56

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	145.00	545.00	535.00	0.00	0.00	155.00
Classes	353.44	60,069.14	57,289.14	1,003.95	3,425.44	711.95
Clubs	739.66	5.00	75.31	0.00	0.00	669.35
Departments	5,754.54	24,855.76	28,552.26	6,587.86	6,682.86	1,963.04
Trusts	58,200.43	746,143.01	708,518.19	25,699.23	28,576.74	92,947.74
General	33,218.92	103,641.09	115,975.53	27,681.25	22,287.25	26,278.48
	\$ 98,411.99	\$ 935,259.00	\$ 910,945.43	\$ 60,972.29	\$ 60,972.29	\$ 122,725.56

Morikami Park Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**New Horizons Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 13900 Greenbriar Boulevard
Wellington, FL 33414

Principal:
Fiscal Year 2016: Elizabeth Cardozo
During Audit: Elizabeth Cardozo

Treasurer:
Fiscal Year 2016: Guadalupe Betancourt
During Audit: Guadalupe Betancourt

Afterschool Site Director:
Fiscal Year 2016: Tracyann Laing
During Audit: Tracyann Laing

Cash and Investments

Checking	\$ 98,162.36
Investments	
	\$ 98,162.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	734.14	0.00	217.60	0.00	0.00	516.54
Classes	9,578.97	12,880.00	19,613.39	6,516.99	3,365.60	5,996.97
Clubs	17,049.27	12,468.83	13,039.56	9,527.35	9,751.17	16,254.72
Departments	8,330.20	6,797.33	9,970.63	2,276.76	2,266.76	5,166.90
Trusts	54,419.44	293,928.92	297,094.79	14,878.05	17,441.72	48,689.90
General	15,697.33	13,133.58	6,919.68	5,165.96	5,539.86	21,537.33
	\$ 105,809.35	\$ 339,208.66	\$ 346,855.65	\$ 38,365.11	\$ 38,365.11	\$ 98,162.36

New Horizons Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**North Grade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 824 North "K" Street
Lake Worth, FL 33460

Principal:
Fiscal Year 2016: Nicole Patterson
During Audit: Nicole Patterson

Treasurer:
Fiscal Year 2016: Stephanie Dunlop
During Audit: Stephanie Dunlop

Afterschool Site Director:
Fiscal Year 2016: Ginger Evans
During Audit: Ginger Evans

Cash and Investments

Checking	\$ 22,095.80
Investments	
	\$ 22,095.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,479.69	2,949.00	3,133.51	1,174.44	1,236.25	1,233.37
Classes	3,477.14	48,576.60	45,002.14	13,317.48	18,324.21	2,044.87
Clubs	1,092.51	517.00	938.33	0.00	0.00	671.18
Departments	1,395.11	13,657.64	13,875.81	3,808.97	3,950.96	1,034.95
Trusts	20,633.25	408,955.08	418,790.40	11,033.02	11,607.20	10,223.75
General	6,024.08	9,779.41	14,700.52	9,099.06	3,314.35	6,887.68
	\$ 34,101.78	\$ 484,434.73	\$ 496,440.71	\$ 38,432.97	\$ 38,432.97	\$ 22,095.80

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Two pages of the *Drop-safe Logs* (pages #12-27402 and #12-27650) for Fiscal Year 2016 were missing. A photocopy of *Log #12-27402* was maintained but the original was missing. Collections during August 6 through 12, 2015, were recorded on the page. *Log #12-27650* should have recorded the check deposited to establish the school's new bank account on May 2, 2016.
- Some sponsors did not record the information for six collections on five pages of the *Drop-safe Log* (#s 12-27486, 12-27418, 12-7420, 12-7517 and 12-7670) when putting money into the drop-safe for deposit. Instead, the information was subsequently recorded on the *Logs* by the treasurer or the independent verifier when the collections were removed from the safe for processing by the treasurer.
- Section 3 of six pages of the *Drop-safe Log* (#s 12-27402, 12-27484, 12-27485, 12-27486, 12-27487 and 12-27504) was not signed by the verifier after the treasurer entered the deposit information into the school's accounting system.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and Bulletin #P-14051-S/CFO, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years."
- Responsible staff should complete the *Drop-safe Log* with all the required information. (1) Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. (2) The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. (3) Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

North Grade Elementary School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Remind teachers that they must record when they drop their money. Remind verifier to sign before she gives receipts to sponsors.

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the General T-shirt Sales (Account #7-0100.01) began August 14, 2015. However, the sponsor for this fundraiser did not complete the annual eLearning Fundraiser Training Course until June 3, 2016; i.e., ten months after fundraiser activities began. Also, the *Sales Item Inventory Report* for the General T-Shirts Sales (Account #7-0100.01) was not reviewed and approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Sponsor will bring certificate of completion of course prior to starting a fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

North Grade Elementary School
Management Letter
Year Ended June 30, 2016

- Disbursement #12270 (for \$550) was for payment to a consultant for flute instruction. However, the engagement of this consultant did not have a *School District Consultant Agreement (PBSD 1420)*.
- Disbursement (#11321 for \$15,631) was for payment of transportation services for the May 18, 2016, Out-of-County field trip to Washington DC. However, the field trip did not have the required *Activity Roster* and *Temporary Duty Elsewhere (TDE) Forms* for the staff.
- Two P-Card transactions (totaling \$424.48) occurring on December 11, 2015, were supported by credit card receipts that did not have the details of the items purchased.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465(Jessica Lunsford Act)*.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, Out-of-County field trips should be pre-approved by the Principal and Area Superintendent. Moreover, TDE form should also be completed by the sponsor and pre-approved by the Principal for each field trip
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Consultant contract for flute instruction. Made copies of DC – however, cannot pull copies because email recipients are now not in system. Plan in place that all P-card trans. have itemized receipts attached.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that *Lease Agreements* were not always executed with all the required signatures. Lease #1006 did not have the lessee's signature. Also, three leases (#s 1001, 1002, and 1006) were not signed by witnesses.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, to protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. We will make sure witness signature on all leases.

AFTERSCHOOL PROGRAM

Finding

The review of the school's Afterschool Program records found that *Early Learning Coalition Attendance* reports were not always submitted in a timely manner. Reports for November 2015, January 2016, and May 2016, were not submitted timely. Delays ranged from one to 10 working days.

Recommendation

Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. Specifically, attendance must be submitted through the *Early Learning Coalition* portal no later than the third business day of the month following the month services were provided.

Management's Response

Concur. Will monitor Afterschool Director.

**Northboro Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 400 40th Street
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Gayle Harper
During Audit: Gayle Harper

Treasurer:
Fiscal Year 2016: Marie DeSantis
During Audit: Marie DeSantis

Afterschool Site Director:
Fiscal Year 2016: Chantelle Broome
During Audit: Chantelle Broome

Cash and Investments

Checking	\$ 68,981.41
Investments	
	\$ 68,981.41

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,948.14	1,140.00	1,900.92	807.29	0.00	1,994.51
Classes	6,923.70	57,247.79	59,252.07	5,993.86	8,453.80	2,459.48
Clubs	82.76	0.00	0.00	0.00	40.00	42.76
Departments	8,904.01	9,310.91	12,672.14	4,098.57	2,483.99	7,157.36
Trusts	30,024.31	388,765.21	367,951.83	20,454.53	25,656.42	45,635.80
General	9,176.92	5,771.81	8,537.19	7,671.47	2,391.51	11,691.50
	\$ 57,059.84	\$ 462,235.72	\$ 450,314.15	\$ 39,025.72	\$ 39,025.72	\$ 68,981.41

Northboro Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Northmore Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4111 North Terrace Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Vonda Daniels
During Audit: Vonda Daniels

Treasurer:
Fiscal Year 2016: Belinda Colebrook
During Audit: Belinda Colebrook

Afterschool Site Director:
Fiscal Year 2016: Lesley Gillins
During Audit: Lesley Gillins

Cash and Investments

Checking	\$ 59,682.87
Investments	
	\$ 59,682.87

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	39.00	130.00	121.50	8.50	8.50	47.50
Classes	482.29	9,786.50	9,466.19	985.90	1,024.25	764.25
Clubs	94.82	0.00	0.00	0.00	0.00	94.82
Departments	837.58	1,112.92	1,197.50	262.55	204.83	810.72
Trusts	21,025.60	112,455.32	77,533.83	4,385.69	4,385.69	55,947.09
General	3,312.99	5,826.61	7,101.74	1,574.74	1,594.11	2,018.49
	\$ 25,792.28	\$ 129,311.35	\$ 95,420.76	\$ 7,217.38	\$ 7,217.38	\$ 59,682.87

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) found that collections were not always turned-in timely. For example, \$1,722.31 collected through seven MCRs (#s 476-6, 476-13, 502-3, 520-6, 520-14, 520-18, and 520-23) was retained by the sponsors for one to five working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. A review training will be conducted during our April's Faculty Meeting and will be placed in the Faculty newsletter, The Panther's Press, several times throughout the year as a reminder. A memorandum will be written for any employee that is out of compliance. If correction is not made, individual rights will be suspended for collecting money.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraising documentation revealed that:

- The sponsors of the following three fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Memory Book	#7-0100.15	11/30/2015	2/29/2016
Mother's Day Cakes	#7-0100.08	4/4/2016	4/14/2016
Safety Patrol Candy	#6-4000.01	9/16/2015	Not Completed

Northmore Elementary School
Management Letter
Year Ended June 30, 2016

- The *Sales Item Inventory Report* was not properly completed. Specifically, the sponsors listed the purchase cost as the selling price for the Mother's Day Cakes (Account #7-0100.15) and the Memory Book Sales (Account #7-0100.15).
- The Memory Book Sales (Account #7-0100.15) had a total sales revenue of \$2,000, which was deposited into the Internal Funds. Based on the school's purchasing records and the *Sales Item Inventory Report*, 109 books were sold at \$20 each which should have generated a total estimated revenue of \$2,180. As a result, \$180 (\$2,180 - \$2,000, or 8%) in estimated revenue was unaccounted for. Moreover, the school purchased 125 copies of the Memory Books at a total cost of \$2,320 resulting in a deficit of \$320 (\$2,320 - \$2,000).

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and will be complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. Staff will be required to provide documentation of fundraiser training that will be added to audit box. All paperwork will be reviewed by the bookkeeper and Principal prior to fundraiser. Fundraiser will be declined if all paperwork and training is not completed prior to project starting.

**Orchard View Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4050 Old Germantown Road
Delray Beach, FL 33445

Principal:
Fiscal Year 2016: Kathleen DePuma
During Audit: Lisa Lee

Treasurer:
Fiscal Year 2016: Jenny Okoee
During Audit: Jenny Okoee

Afterschool Site Director:
Fiscal Year 2016: Kathy Anderson
During Audit: Fanny Lambis

Cash and Investments

Checking	\$ 38,341.32
Investments	
	\$ 38,341.32

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	79.74	0.00	0.00	0.00	0.00	79.74
Classes	1,449.42	7,477.25	6,204.67	1,751.08	1,751.08	2,722.00
Clubs	3,261.54	0.00	143.70	0.00	0.00	3,117.84
Departments	3,473.52	252.42	554.95	0.00	0.00	3,170.99
Trusts	22,598.90	130,905.98	127,614.80	5,957.45	6,167.41	25,680.12
General	2,795.31	2,938.46	2,373.10	670.46	460.50	3,570.63
	\$ 33,658.43	\$ 141,574.11	\$ 136,891.22	\$ 8,378.99	\$ 8,378.99	\$ 38,341.32

Orchard View Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Pahokee Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 560 East Main Place
Pahokee, FL 33476

Principal:
Fiscal Year 2016: Karen Abrams
During Audit: Karen Abrams

Treasurer:
Fiscal Year 2016: Leonyte Mann
During Audit: Leonyte Mann

Cash and Investments

Checking	\$ 10,391.73
Investments	
	\$ 10,391.73

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	\$0.00	0.00	0.00
Classes	0.00	5,630.40	5,617.40	0.00	0.00	13.00
Clubs	3,608.59	10,530.25	11,633.57	3,783.81	3,783.81	2,505.27
Departments	510.63	25.96	281.85	0.00	0.00	254.74
Trusts	3,044.29	41,234.41	39,120.63	276.71	276.71	5,158.07
General	3,881.11	14,674.49	16,094.95	5,181.11	5,181.11	2,460.65
	\$ 11,044.62	\$ 72,095.51	\$ 72,748.40	\$ 9,241.63	\$ 9,241.63	\$ 10,391.73

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- The *Drop-safe Log* was not completed with all the required information. For example,
 - *Section 2* on 12 pages of the *Log* (#s 14-45451, 14-45458 through 14-45462, 14-466 through 14-45471) did not have the dates when the collections were removed from the safe.
 - *Section 3* on 14 pages of the *Log* (#s 14-45459 through 14-45471 and 14-45514) did not have the independent verifier's initials or the *Official Receipt* numbers to confirm the collections had been recorded into the General Ledger by the school treasurer.
- Some Sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, three entries totaling \$116 was not recorded on the *Log*. Subsequently, the school treasurer recorded the information on pages #14-45469 and 14-45507 when the collections were removed.
- Four entries on the *Drop-safe Log* (page #s 12-26800 and 14-45451) were deleted without the sponsors' initials or explanation for deletion. According to the treasurer, these collections were returned to the sponsor for clarification. However, there were no records to document that the monies were actually returned to and received by the sponsors.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically, to ensure proper fiscal accountability,

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- To ensure proper fiscal accountability, deposit information should be properly recorded on the *Drop-safe Log*. Monies returned to the sponsor for record clarification should be noted on the

Log, signed, and acknowledged by the sponsors; and the bookkeeper should ensure that the monies were returned to bookkeeper for deposit after the clarification was made by the sponsor.

Management’s Response

Concur. Logs inventoried weekly to ensure policies are followed.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraising documentation revealed that:

- The sponsors for the following fundraisers did not complete the annual eLearning Fundraiser Training Course as required by procedures:

Activity	Account Number	Activity Began	Training
FSA T-shirts	#7-0100.09	3/7/2016	Not Completed
School Memory Book	#7-0100.06	5/1/2016	Not Completed

- The Recap portion of *Fundraising Application/Recap Form* and *Sale Inventory Report* for the School Memory Book (Account 7-0100.06) were not completed by the activity sponsor. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is no assurance that all the monies collected were properly accounted for. The account had a deficit of \$839 at year end.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and will be complying with the updated fundraising procedures, fundraiser sponsor should complete the required annual eLearning Fundraiser Training Course.
- To ensure fiscal accountability and self-sufficiency, the school should monitor closely the number of books to be printed, and revenues and expenditures for the School Memory Book Account so that this fundraiser will not incur a deficit.

Management's Response

Concur. All staff completing the fundraiser application must also include the certificate of completion of the course.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- Two Disbursements (#10686 for \$4,800 and #10740 for \$1,918.52) did not have any supporting documentation for the expenses. Moreover, the Principal did not approve the *Check Requisition* for Disbursement #10740.
- Disbursement #10672 (for \$39.01) was supported by a vendor statement which indicated only the dollar amount without the details of purchases.

Recommendation

Expenditures should be adequately supported by itemized invoices/receipts. The issuance of a school check should be supported by the Principal's approved *Check Requisition*. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Updated information was attached.

**Palm Beach Gardens Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 10060 Riverside Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2016: Marie Caracuzzo
During Audit: Marie Caracuzzo

Treasurer:
Fiscal Year 2016: Keenan Hurlbert/Barbara Amidon
During Audit: Kim Haugen

Afterschool Site Director:
Fiscal Year 2016: Gina Evans/Kim Sheehan
During Audit: Kim Sheehan

Cash and Investments

Checking	\$ 38,575.60
Investments	
	\$ 38,575.60

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,955.31	0.00	0.00	0.00	0.00	1,955.31
Classes	110.35	28,915.53	23,179.01	3,744.88	6,877.58	2,714.17
Clubs	4,344.42	30,186.53	18,381.25	1,293.50	13,054.50	4,388.70
Departments	3,846.36	18,832.83	17,868.60	942.00	942.25	4,810.34
Trusts	45,762.33	586,340.14	619,712.28	13,974.96	1,392.79	24,972.36
General	211.53	(1,111.50)	1,677.09	2,417.15	105.37	(265.28)
	\$ 56,230.30	\$ 663,163.53	\$ 680,818.23	\$ 22,372.49	\$ 22,372.49	\$ 38,575.60

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school revealed that:

- Numerous collections were marked on the *Drop-safe Log* “do not deposit.” According to staff, those collections were not yet ready for deposit due to various reasons and were returned to the sponsors. However, there were no records to document that the monies were actually returned to and received by the sponsors.
- Monies (totaled \$162) collected through MCR #851-4 was retained by the sponsor for three to seven working days before putting the money in the safe for deposit.
- The review of the available yellow copies of MCRs found that some activity sponsors did not always retain the yellow copies of the MCRs when turning in the monies and MCRs to the bookkeeper for deposit. Instead, the yellow copies were also provided to the bookkeeper.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should keep the yellow copy of the MCR, instead of giving it to the bookkeeper with the monies collected. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management’s Response

Concur. Review policy and procedures with current bookkeeper, teachers, and activity sponsors. Do not concur with two signatures for Drop Safe Log.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that:

The sponsors of the following fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Book- Fair	#5-1700.01	11/17/2015	Did not complete
Safety Patrol Pizza Cards	#4-4300.07	11/18/2015	2/11/2016
Safety Patrol Poinsettia Sales	#4-4300.06	11/13/2015	2/11/2016
Safety Patrol Coupon Books	#4-4300.02	8/21/2015	2/11/2016
Yearbooks	#4-3950.00	10/26/2015	2/10/2016

- A total of \$15,404 in sales revenue was deposited into the Safety Patrol – Coupon Book Fundraiser Account (#4-4300.02). The school purchased 875 coupon books for this fundraiser for resale at \$20 each, which should have generated a total estimated revenue of \$17,500 (\$20 x 875). As a result, \$2,096 (\$17,500 - \$15,404) in estimated revenue was unaccounted for.
- The Yearbook (Account #4-3950.00) and Book Fair Sales (Account #5-1700.01) did not have the required *Fundraising Application/Recap Forms*. Additionally, The *Fundraising Application/Recap Forms* for the STEM T-Shirt Sales (Account 6-4417.02) and Clark Book Sales (Account #6-4417.01) were neither approved by the principal nor verified by the treasurer.
- *Sales Item Inventory Reports* were not maintained for four fundraisers: (1) Yearbook, (2) Book Fair Sales, (3) Clark Book Sales, and (4) STEM T-Shirts Sales.
- *Sales Item Inventory Reports* were neither approved by the Principal nor accurately completed for three fundraisers: (1) Safety Patrol Pizza Cards, (2) Safety Patrol Poinsettia Sales, and (3) Safety Patrol Coupon Books.

- Failure to prepare the related reports for fundraisers defeat the purpose of controls and could result in undetected loss of school assets. Future repeated violations in this finding by the same sponsor will be reported to Personnel for further action.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, they should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. All sponsors have taken the required eLearning Fundraising Training and submitted evidence to the administration. Fundraising Application/Recap Forms have been reviewed closely by admin. Sales Item Inventory Reports have been reviewed with the safety patrol sponsors and fundraising sponsors (yearbook, media teacher, etc.)

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Two disbursement (#7169 for \$428 and #7226 for \$672.50) and one P-Card transaction on December 3, 2015, for \$211 did not have any supporting documentation for the expenses. Missing documentation included a *Check Requisition* and itemized invoices and receipts.

- The *Check Requisitions* for two disbursements (#7259 for \$88.48, and #7611 for \$450) did not have the Principal approval. Moreover, the Principal did not sign one check (#7259).
- Disbursement #7532 (for \$500) was for payment to a consultant for providing fitness instructions and physical activity games for the After School Program. Although the expenditure was supported by a *Consultant Agreement*, the invoice was missing.
- Disbursement #7580 (for \$5,252.15) exceeded the \$1,000 *Purchase Order* threshold. However, the *Purchase Order* was not approved by the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- School expenditures should be adequately supported by itemized invoices/receipts. The issuance of school check should be supported by a *Check Requisition* approved by the Principal. Without adequate supporting documentation and proper supervisor approval, there is no assurance that the expenses were appropriate.
- A *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. All Internal Accounts procedures have been reviewed and clarified with a new competent bookkeeper.

LEASING OF SCHOOL FACILITIES

The review of school facility leasing records revealed that

- Leasing charges were not always collected prior to the use of facilities. Specifically, \$837.40 from three leases remained unpaid as of November 16, 2016.
 - During Fiscal year 2016, \$371 for Lease #1014 had not been collected from the lessee for their use of school facilities.

Palm Beach Gardens Elementary School
Management Letter
Year Ended June 30, 2016

- From prior Fiscal Year 2015, the charges for two *Lease Agreements* (\$212 for Lease #1004 and \$254.40 for Lease #1012) remained unpaid.
- The school did not maintain a hard copy of the executed *Lease Agreement* for Lease #1009.
- Two *Lease Agreements* (# 1012 and 1021) did not have the signature of a witness.
- Leasing charges were not allocated and recorded in the respective accounts in accordance with District's guidelines. During the year, the school under-allocated and under-transmitted \$257.60 in utilities (Account #6-5500.00) and \$72.60 in Sales Tax (Account #6-1800.00).

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- As required by ***School Board Policy 7.18, Section 7.a.***, leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should collect the \$837.40 in unpaid rentals from the three lessees.
- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- Leasing revenues should be allocated in accordance with the District's approved *Rate Schedule*. The District's portions of leasing fees should be transmitted to the Central Office accordingly.

Management's Response

Concur. All funds have been collected from July 2016 – February 2017.

**Palm Beach Public School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 239 Coconut Road
Palm Beach, FL 33480

Principal:
Fiscal Year 2016: Christie Schwab
During Audit: Christie Schwab

Treasurer:
Fiscal Year 2016: Angie Brown
During Audit: Angie Brown

Afterschool Site Director:
Fiscal Year 2016: Heather Stonelake
During Audit: Heather Stonelake

Cash and Investments

Checking	\$ 54,350.41
Investments	
	\$ 54,350.41

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	286.00	319.00	33.00	0.00	0.00
Classes	0.00	17,692.00	19,645.30	4,815.00	908.20	1,953.50
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	1,337.07	5,143.36	4,738.37	857.00	357.00	2,242.06
Trusts	98,830.97	271,415.63	347,146.21	14,201.33	14,134.63	23,167.09
General	12,051.70	38,153.36	18,710.80	4,857.52	9,364.02	26,987.76
	\$ 112,219.74	\$ 332,690.35	\$ 390,559.68	\$ 24,763.85	\$ 24,763.85	\$ 54,350.41

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that the *Drop-safe Log* was not always completed with all the required information. For example, *Section 3* for 8 pages (#s 14-15280, 14-15296, 14-297, 14-15298, 12-67615, 12-67623, 12-67624, and 12-67625) were missing the receipt number and not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, (1) the treasurer and an independent staff should jointly verify the contents of the safe against *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing, and (2) the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. All staff involved were reminded of the procedures of the drop safe log. This was an oversight.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The sponsor for the Yearbook fundraiser (Account #7-0100.02) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Sales Item Inventory Report* for Safety Patrol Coupon Books (Account #6-4000.14) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and will comply with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Staff involved with fundraising have completed the eLearning course tis year.

Additional Comments

I am very pleased without audit and we need to pay close attention to details.

**Palm Springs Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 101 Davis Road
Palm Springs, FL 33461

Principal:
Fiscal Year 2016: Dawn Lewis
During Audit: Dawn Lewis

Treasurer:
Fiscal Year 2016: Nancy Ruyle
During Audit: Nancy Ruyle

Afterschool Site Director:
Fiscal Year 2016: Samantha Greene
During Audit: Kathy Anderson

Cash and Investments

Checking	\$ 15,726.00
Investments	
	\$ 15,726.00

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	703.16	295.50	661.29	0.00	0.00	337.37
Classes	3,501.38	15,693.00	17,340.87	84.00	134.00	1,803.51
Clubs	2,388.98	4,782.90	2,116.55	772.49	2,592.95	3,234.87
Departments	2,570.67	8,822.88	7,629.49	6,174.79	6,185.64	3,753.21
Trusts	5,922.77	164,408.76	166,662.36	4,907.71	3,037.25	5,539.63
General	2,202.07	5,005.52	6,161.03	1,734.55	1,723.70	1,057.41
	\$ 17,289.03	\$ 199,008.56	\$ 200,571.59	\$ 13,673.54	\$ 13,673.54	\$ 15,726.00

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the Safety Patrol Club Polo Sales (Account #4-4300.08) did not have the required *Fundraiser Application/Recap Forms* and *Sales Item Inventory Reports*. Furthermore, Disbursement #10739 (for \$1,044.60) for purchasing the shirts was inadvertently recorded in the Safety Patrol Club Primary Account (Account #4-4300.00). Without the needed Forms and Reports, sales information would not be available. Consequently, there was no basis to determine if all sales revenues were properly accounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information for each fundraiser. This will assist staff in reconciling the sales revenue with the estimated revenue. The *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. The Polo Shirt sales has been corrected. The sponsor submitted the new fundraiser form showing inventory.

**Palmetto Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5801 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2016: Gladys Harris
During Audit: Gladys Harris

Treasurer:
Fiscal Year 2016: Rhonda Diamond Ninfo
During Audit: Rhonda Diamond Ninfo

Afterschool Site Director:
Fiscal Year 2016: Courtney Caramanna
During Audit: Courtney Caramanna

Cash and Investments

Checking	\$ 12,507.58
Investments	
	\$ 12,507.58

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	208.25	1,946.41	1,937.50	75.84	50.00	243.00
Clubs	6,675.79	80,295.25	80,003.30	28,381.73	27,796.38	7,553.09
Departments	1,313.78	3,293.30	2,175.67	836.84	836.84	2,431.41
Trusts	14,108.96	142,547.16	154,147.49	363.00	138.00	2,733.63
General	210.23	3,483.69	3,311.28	1,389.65	2,225.84	(453.55)
	\$ 22,517.01	\$ 231,565.81	\$ 241,575.24	\$ 31,047.06	\$ 31,047.06	\$ 12,507.58

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The check numbers for three checks, totaling \$124.50, were not indicated on the related MCRs (#407-0666 and #407-0087).
- One page (#11-56369) of the *Drop-safe Logs* for Fiscal Year 2016 was missing.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- If payments were made by checks, the check numbers should be noted on the “CHECK #” column of the MCR.
- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. Drop Safe Logs files in binder are now manned by the Data Processor. She has been trained and instructed to police and keep logs in numerical order to ascertain document is in sequence. She will report any discrepancies to the Principal for immediate action.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for the following four fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2015: (1) Christmas Wreaths, (2) Yankee Candle, (3) Mother’s Day Cake Sale K-4, and (4) and Yankee Candle K-4.
- The Yankee Candle Sales did not have the required *Fundraising Application/Recap Form*.

- The following four fundraisers did not have the required *Sales Item Inventory Reports*: (1) Christmas Wreaths, (2) Yankee Candle, and (4) Yankee Candle K-4.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. The above mentioned individuals have been made aware of these findings. They are directed to complete an eLearning Fundraiser Training Course before the end of FY16 school year and submit course acknowledgment to Principal before the end of FY16 school year.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #10617 (for \$500) was for payment to a consultant for performing education comedy show during the May 22, 2015, Assembly Show Event. However, this consultant was engaged without using the required *School District Consultant Agreement (PBSD 1420)*.
- Two disbursements and two P-Card purchases did not have adequate supporting documentation for the expenses:

- Disbursement #10559 (for \$348.44) was supported by a vendor statement which indicated only the dollar amount without the details of purchases.
 - Disbursement #10625 (for \$1,111.50) was supported by an email request from the activity sponsor.
 - An \$89.66 P-Card transaction which occurred on August 26, 2014, did not have any supporting documentation for the purchase.
 - A \$210.94 P-Card transaction which occurred on September 9, 2014, was supported by an online order screen-print that did not have the dollar amount of the purchase.
- Disbursement #10446 (for \$1,685.40) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to a consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed, and (2) most importantly, the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- School expenditures should be supported by itemized invoices/receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) *Purchase Order* should be issued for purchase in excess of \$1,000.

Management's Response

Concur. All stakeholders have been made aware of the policy and were given copies of the manual contained within the manual (Chapter 24) to review.

PRENUMBERED DOCUMENTS

Finding

According to the school's designated document custodian for *School Checks* and *Drop-safe Logs*, she did not perform monthly inventory for *School Checks* and *Drop-safe Logs* as required by ***Internal Accounts Manual***. Instead, the school treasurer completed the *Prenumbered Document Inventory Registers (0160)* for these documents for the document custodian's signature at year-end.

Recommendation

To ensure all *Drop-safe Logs* are properly accounted for and complying with ***Chapter 27 of the Internal Accounts Manual***, the designated document custodian for *School Checks* and *Drop-safe Logs* should use the *Prenumbered Document Inventory Register (PBSD 0160)* to account for the usage and monthly inventory-check of these documents.

Management's Response

Concur. School checks will be verified monthly by Assistant Principal. Drop Safe Logs custodian is now assigned to the Data Processor. They will read Chapter 27 of the Internal Accounts Manual to review proper procedures.

**Panther Run Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 10775 Lake Worth Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Pamela Strachan
During Audit: Pamela Strachan

Treasurer:
Fiscal Year 2016: Kimberly Kahant
During Audit: Amy Campbell

Afterschool Site Director:
Fiscal Year 2016: Mathew Child
During Audit: Mathew Child

Cash and Investments

Checking	\$ 61,322.23
Investments	
	\$ 61,322.23

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	493.48	1,245.00	1,271.36	171.05	171.05	467.12
Classes	794.97	45,754.25	44,067.21	4,863.11	4,557.96	2,787.16
Clubs	51.15	213.70	66.18	0.00	0.00	198.67
Departments	7,210.81	12,284.67	12,570.65	9,253.17	9,199.85	6,978.15
Trusts	34,072.51	555,407.28	559,253.43	7,891.73	7,891.73	30,226.36
General	17,724.65	45,579.95	42,281.36	15,511.47	15,869.94	20,664.77
	\$ 60,347.57	\$ 660,484.85	\$ 659,510.19	\$ 37,690.53	\$ 37,690.53	\$ 61,322.23

DOCUMENTATION FOR DISBURSEMENT

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Two P-Card transactions (totaling \$ 678.00) occurred during July 2015, were for the purchase of an iPad and AppleCare, without receiving prior authorization from Purchasing. The District's Purchasing Guidelines require iPads to be purchased through the District's Marketplace.
- Four P-Card transactions (totaling \$ 592.16) occurred during October 2015, were for payments of meals during an afterschool field trip in Orlando. However, these purchases included meals for adults which is a prohibited use by the District's Purchasing Card Guidelines. Moreover, these charges were inadvertently paid for from the Operating Funds designated for supplies instead of funds from the Internal Accounts.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- P-Card should not be used for purchase of items and services disallowed by the *Purchasing Manual*.
- Expenditures should be funded by the appropriate funding sources, in accordance with the District's guidelines.

Management's Response

Concur. Former Treasurer stated that she was told verbally she could purchase iPad and Apple Care because it was under \$1,000.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that the entire \$424 leasing charge (\$320 in Rental, \$80 in Utilities, and \$24 in Sales Tax) for *Lease Agreement # 1003* was

Panther Run Elementary School
Management Letter
Year Ended June 30, 2016

recorded in the Sale Tax Account (6-1800.00). As a result, the school over-allocated and over-transmitted \$400 in Sales Tax to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, rental fees should be properly allocated when recorded in the general ledger accounts.

Management's Response

Concur. School secretary did not split the funds in correct account. After discovering the mistake all other leases were completed correctly.

**Pierce Hammock Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 14255 Hamlin Boulevard
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: John Carvelli
During Audit: Ariel Alejo

Treasurer:
Fiscal Year 2016: Ruth Simioni
During Audit: Ruth Simioni

Afterschool Site Director:
Fiscal Year 2016: Patricia Vico
During Audit: Patricia Almaguer

Cash and Investments

Checking	\$ 47,737.90
Investments	
	\$ 47,737.90

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	807.67	2,167.50	360.00	0.00	0.00	2,615.17
Classes	5,740.21	40,495.67	41,612.17	12,775.11	12,886.18	4,512.64
Clubs	1,941.50	413.05	467.46	365.67	575.66	1,677.10
Departments	3,248.82	17,670.01	16,929.23	5,948.52	6,167.75	3,770.37
Trusts	24,896.19	355,179.32	363,796.59	16,245.94	17,159.35	15,365.51
General	8,885.05	39,486.02	30,027.66	19,861.87	18,408.17	19,797.11
	\$ 45,519.44	\$ 455,411.57	\$ 453,193.11	\$ 55,197.11	\$ 55,197.11	\$ 47,737.90

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- A total of \$4,802 in sales revenue was deposited into Internal Funds for the Media Life-Touch Yearbooks (Account #5-1700.03). However, based on the school's purchasing records, this fundraiser should have generated a total estimated revenue of \$5,650. As a result, \$848 (\$4,802 - \$5,560, or 16%) was unaccounted for. Also, the *Sales Item Inventory Report*, was not approved by the Principal.
- The General Activities Spirit Shirt (Account #7-0100.10) did not have the required *Sales Item Inventory Report*.
- Activities for the Agendas Sales (Account #7-0100.01) began August 19, 2015. However, the sponsor for this fundraiser did not complete the annual eLearning Fundraiser Training Course until January 21, 2016; i.e., five months after fundraiser activity began.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any. Repeated findings in this area by the same staff will be referred to personnel for appropriate action.
- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Bullet #1 – Sponsor did not account for online sales. Principal will approve effective immediately. Bullet #2 – Sponsor did not realize one was needed since we did preorders. Bullet #3 – Sponsor retrains every year.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that:

- Disbursement #12278 (for \$650) was for a DJ for the Fifth Grade Dance. However, this disbursement did not have a *School District Consultant Agreement (PBSD 1420)*.
- One P-Card purchase (June 2016, \$192) did not have any supporting documentation.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school; (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465(Jessica Lunsford Act)*.
- All disbursements, including P-Card purchases, should be adequately documented and supported by itemized invoices or receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Bookkeeper was advised that since it was parent, a contract was not needed. Bullet #2 – School will adhere to districts recommendation regarding Pcards.

LEASING OF SCHOOL FACILITIES

Finding

The school had a total of 11 leasing arrangements input into the Tririga System. Three leases (#1003, #1004, and #1005) had a total contract amount of \$2,305.50. According to staff, these lessees did not use the facility. However, these cancellations were not recorded in the Tririga System. As a result, the Tririga System overstated the school's leasing income by \$2,305.50.

Recommendation

Leasing information should be accurately recorded in the Tririga System; and the information should be updated for contract amendments and cancellations.

Management's Response

The leases were in draft form and the bookkeeper was advised that no further action was needed.

Additional comments

Better communication and training between bookkeeper and contacts will help in diminishing audit findings. Everyone on the same page.

**Pine Grove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 400 SW 10th Street
Delray Beach, FL 33444

Principal:
Fiscal Year 2016: Joseph Peccia (Interim)
During Audit: Joseph Peccia (Interim)

Treasurer:
Fiscal Year 2016: Suhair Gali
During Audit: Suhair Gali

Cash and Investments

Checking	\$ 17,098.59
Investments	
	\$ 17,098.59

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	706.45	0.00	195.00	0.00	0.00	511.45
Classes	1,568.67	5,583.00	5,079.46	2,004.79	2,168.08	1,908.92
Clubs	6,844.06	1,716.19	6,835.71	310.40	519.62	1,515.32
Departments	3,489.12	679.88	1,669.36	1,062.33	460.90	3,101.07
Trusts	11,408.45	22,109.64	24,930.40	3,419.47	3,448.07	8,559.09
General	1,319.40	3,021.90	2,638.24	72.24	272.56	1,502.74
	\$ 25,336.15	\$ 33,110.61	\$ 41,348.17	\$ 6,869.23	\$ 6,869.23	\$ 17,098.59

DEPOSIT OF MONIES

Finding

The review of money collection process and sampling of *Monies Collected Reports* (MCRs) and at the school found that:

- Two collections, totaling \$109, recorded on the *Drop-safe Log* (#11-59371 and #11-59380) were marked as “returned to teacher” and “returned to parent”. However, no records were maintained to document that the monies were returned to and received by the remitters.
- \$129.98 collected through MCR#399-2 was held by the sponsor for 30 working days.
- The school’s *2016 End-of-the-Year Check-Out Form* included the wrong instruction that informed staff to submit all the yellow copies of MCRs to the school treasurer.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- Monies collected but returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*. The treasurer should ensure that the monies were returned to the drop-safe for deposit after clarification was made by the sponsor.
- *DOE Rules* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*, at the year-end, “*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*”

Management’s Response

Concur. Treasurer will review MCR procedures with the staff. Teachers will sign the drop safe log and monies collected report and parents will sign for receipt of cash or check. End of year checklist updated to note yellow receipts will go to school secretary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The sponsor for the Yearbook Sales (Account #4-6390.00) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Sales Item Inventory Reports* for the following three fundraisers were neither reviewed nor approved by the Principal: (1) Yearbook Sales, (2) Safety Patrol Chocolate Sales and (3) Field day T-Shirt Sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities..
- *Sales Item Inventory Report* should be completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. Moreover, the *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away.

Management's Response

Concur. Prior to approval of fundraisers principal will verify with the treasurer that the necessary training is complete. The treasurer will give the staff a log to document inventory and review with the staff proper procedures.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- One March 5, 2016 P-Card transaction for \$10.45 was not supported by invoice or receipt.

- Disbursement #10612 (for \$4,500) was for transportation expenses for the May 2016, trip to Washington DC. However, this field trip did not have the required *Field Trip/Activity Roster* (PBSD 2149).
- The school paid a total of \$32 in sales tax for three tax-free qualified P-Card purchases.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- All expenditures should be adequately supported by itemized invoices/receipts. Without supporting documentation, there is no assurance that the expenses were appropriate.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and pre-approved by the Principal for the field trip. Additionally, the *Field Trip/Activity Roster (PBSD2149)* is mandatory for Out-of State, Out-of County or Overseas trips.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. Effort will be made to retrieve receipts. If a receipt cannot be secured we will submit a missing receipt report. We will be aware of and ensure that taxes will not be charged for items that are tax exempt.

**Pine Jog Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6315 Summit Boulevard
West Palm Beach, FL 33415

Principal:
Fiscal Year 2016: Craig Sommer/Tarachell Thomas
During Audit: Tarachell Thomas

Treasurer:
Fiscal Year 2016: Diana Hernandez
During Audit: Diana Hernandez

Cash and Investments

Checking	\$ 41,092.30
Investments	
	\$ 41,092.30

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	791.26	500.00	1,051.26	0.00	240.00	0.00
Classes	6,699.76	38,068.59	38,009.29	8,839.11	8,839.11	6,759.06
Clubs	10,769.21	18,595.25	19,948.34	2,485.05	2,508.44	9,392.73
Departments	3,806.84	13,181.40	11,867.68	3,473.99	3,295.01	5,299.54
Trusts	15,369.60	136,831.25	136,571.99	17,029.07	16,800.55	15,857.38
General	4,604.79	13,704.83	14,381.92	3,068.99	3,213.10	3,783.59
	\$ 42,041.46	\$ 220,881.32	\$ 221,830.48	\$ 34,896.21	\$ 34,896.21	\$ 41,092.30

Pine Jog Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Pioneer Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 39500 Pioneer Park Road
Belle Glade, FL 33430

Principal:
Fiscal Year 2016: Pamela Buckman
During Audit: Pamela Buckman

Treasurer:
Fiscal Year 2016: Stefanie Beckford
During Audit: Stefanie Beckford

Cash and Investments

Checking	\$ 14,363.48
Investments	
	\$ 14,363.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	1,352.43	3,431.50	2,286.07	103.50	103.50
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	782.03	1,128.85	1,584.80	7.76	0.00	333.84
Trusts	23,739.00	51,824.02	59,655.07	7,874.07	11,226.40	12,555.62
General	3,031.50	5,419.88	8,242.86	1,396.49	234.49	1,370.52
	\$ 27,552.53	\$ 59,725.18	\$ 72,914.23	\$ 11,564.39	\$ 11,564.39	\$ 14,363.48

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that one page (#12-07388) of the *Drop-safe Logs* for Fiscal Year 2016 was missing. The missing page should contain information for monies collected during February 8, through February 10, 2016.

Recommendation

To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. Protocol has been established to ensure that all drop safe logs are accounted for. During monthly admin / bookkeeper / secretary meeting to confirm all safe logs are accounted for and filed.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the financials for the Safety Patrol’s Chocolate Sale, Trick or Trunk Pizza Sale, and After School Valentine Sale were recorded in the Safety Patrol primary account (Account #6-4000.00) instead of designated decimalized accounts for each fundraiser.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to assist the school in evaluating and monitoring the performance of individual fundraiser, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management’s Response

Concur. Individual did not realize this needed to be completed yearly. Principal will make this requirement part of August / September agenda for trainings. Individual in question has since taken the course for FY17.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #4740 (for \$720) was for payment for fundraiser items. However, the disbursement did not have any supporting documentation for the expenditure.
- Disbursements #4764 (for \$300) was for a refund of field trip fees to a student who paid but did not attend the Safety Patrol trip to Washington, D.C. However, the disbursement did not have supporting documentation for the student's payment.
- Supporting documentation such as invoices/receipts were not always defaced (stamped "PAID") after payment was made in order to prevent duplicate payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. Refund of field trip fees to students should be supported by the original payment records. Without adequate documentation, there is no assurance that the disbursements were appropriate.
- To avoid potential duplicated payments, supporting documentation for payment should be defaced (stamped "PAID") after payment was made.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that the school did not have the hard copy of *Lease Agreements #1001* and *#1002* with all the required signatures.

Recommendation

To ensure *Lease Agreements* are legally enforceable, they should be executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. Lease #1001 was an MOU with the City of Belle Glade and District. 2nd Lease was club. In future, we will be sure that appropriate paperwork is completed even when funds are waived.

**Pleasant City Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2222 Spruce Avenue
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Moneek Scott-McTier
During Audit: Valarie Jones

Treasurer:
Fiscal Year 2016: Sylvia Buckhalter
During Audit: Sylvia Buckhalter

Cash and Investments

Checking	\$ 4,859.35
Investments	
	\$ 4,859.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	306.71	0.00	306.71	0.00	0.00	0.00
Classes	577.59	6,379.75	6,179.76	992.30	992.30	777.58
Clubs	0.00	6,605.00	3,044.02	0.00	3,560.98	0.00
Departments	120.00	0.00	0.00	0.00	0.00	120.00
Trusts	5,103.88	36,424.51	41,307.68	4,141.48	600.50	3,761.69
General	560.45	1,022.65	1,403.02	20.00	0.00	200.08
	\$ 6,668.63	\$ 50,431.91	\$ 52,241.19	\$ 5,153.78	\$ 5,153.78	\$ 4,859.35

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found the *Drop Safe Logs* had 11 collections (totaling \$1,313) that were marked as “returned to sponsor”. According to staff, these collections were not ready for deposit and were returned to the respective sponsors for clarification. However, no records were maintained to document that the monies were returned to and received by the sponsors.

Recommendation

Money collections should be administered in accordance with the *Internal Accounts Manual* and District guidelines. Specifically, to ensure proper fiscal accountability, written records should be maintained and acknowledged by the remitting staff when the collections are returned for processing.

Management’s Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that Disbursement #2513 (\$10,400) was for payment of transportation to the January 27, 2016 Washington DC Trip. However, this out-of-state field trip did not have the required *Field Trip/Activity Planning Report and Approval Request Form (PBSD 1894)*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, Out-of-State field trips should be approved by the Principal, Area Superintendent and Deputy Superintendent/Chief of School using a *Field Trip/Activity Planning Report and Approval Request (PBSD 1894)*.

Management's Response

Concur. Closely monitor

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found the school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for the *Drop-Safe Log*.

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*, the designated custodian should complete the monthly inventory of the *Drop-safe Logs* to ensure all prenumbered documents are accounted for through the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. Closely monitor drop box activity is logged, meet with designated custodian for a weekly update of the monthly inventory.

Additional comments:

Closely monitor the listed items to ensure documentation is properly recorded according to District policy/guidelines.

**Plumosa School of the Arts
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2501 Seacrest Boulevard
Delray Beach, FL 33444

Principal:
Fiscal Year 2016: Catherine Reynolds
During Audit: Catherine Reynolds

Treasurer:
Fiscal Year 2016: Margarita Molina
During Audit: Margarita Molina

Afterschool Site Director:
Fiscal Year 2016: Loidy Jimenez
During Audit: Loidy Jimenez

Cash and Investments

Checking	\$ 42,040.13
Investments	
	\$ 42,040.13

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	6,315.55	2,960.85	3,796.65	2,590.00	0.00	8,069.75
Classes	5,245.43	1,548.00	1,933.67	0.00	1,500.00	3,359.76
Clubs	3,414.03	433.00	1,716.27	0.00	0.00	2,130.76
Departments	3,071.76	4,197.26	5,106.48	571.84	571.84	2,162.54
Trusts	29,272.55	250,212.69	255,889.25	2,696.41	3,154.81	23,137.59
General	1,472.94	13,788.85	11,450.46	4,175.07	4,806.67	3,179.73
	\$ 48,792.26	\$ 273,140.65	\$ 279,892.78	\$ 10,033.32	\$ 10,033.32	\$ 42,040.13

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- One page of the *Drop-safe Log* (#37234) was missing. The time period for this page was August 17 – 18, 2015.
- MCRs were not always completed with all the required information. For example, check numbers were not indicated on three MCRs (#s 537-3, 582-6 and 582-7) for three checks totaling \$60.00.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, “Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.”
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter’s signature, payer’s name, dollar amount, and check number when appropriate.

Management’s Response

Concur. Drop safe logs will be monitored by 2 staff members to ensure proper procedures are followed. Staff will be trained on the protocol for MCR forms.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

Plumosa School of the Arts
 Management Letter
Year Ended June 30, 2016

- The sponsors of the following three fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Yearbook Sales	#7-0100.06	1/12/2016	Did not complete
Book Fair / Media	#5-1700.01	11/4/2015	Did not complete
Coupon Books	#7-0100.05	9/1/2015	Did not complete

- The *Fundraising Application/Recap Forms* for the Book Fair Media (Account #5-1700.01) was not approved by the Principal until November 18, 2015, ten days after fundraising activities began.
- The *Sales Item Inventory Report* for the Yearbook Sale (Account #7-0100.06) was neither signed by the sponsor nor approved by the Principal.
- The Coupon Books Fundraising (Account #7-0100.05) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff understand and comply with the fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Reports* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal.

Management's Response

Concur. All fundraising will be approved by the principal after staff had documentation of completion of training.

**Poinciana Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1203 North Seacrest Boulevard
Boynton Beach, FL 33435

Principal:
Fiscal Year 2016: Lisa Lee
During Audit: Kathleen DePuma

Treasurer:
Fiscal Year 2016: Jennifer Dietrick
During Audit: Jennifer Dietrick

Afterschool Site Director:
Fiscal Year 2016: Gloria Gibson
During Audit: Gloria Gibson

Cash and Investments

Checking	\$ 33,732.71
Investments	
	\$ 33,732.71

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	2,154.54	0.00	188.77	0.00	0.00	1,965.77
Classes	11,792.85	50,334.21	55,692.89	8,273.39	7,923.39	6,784.17
Clubs	6,423.40	16,086.64	19,246.29	1,137.35	1,137.35	3,263.75
Departments	4,159.06	11,810.39	9,678.96	1,124.18	1,670.31	5,744.36
Trusts	12,345.22	288,241.57	285,803.24	4,018.43	3,824.30	14,977.68
General	2,903.50	7,166.56	9,075.08	3,134.00	3,132.00	996.98
	\$ 39,778.57	\$ 373,639.37	\$ 379,685.23	\$ 17,687.35	\$ 17,687.35	\$ 33,732.71

Poinciana Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Rolling Green Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 550 Miner Road
 Boynton Beach, FL 33435

Principal:
 Fiscal Year 2016: Sandra Sanchez
 During Audit: Allyson Manning

Treasurer:
 Fiscal Year 2016: Shi Reardon
 During Audit: Shi Reardon

Afterschool Site Director:
 Fiscal Year 2016: Sara Damar
 During Audit: Sara Damar

Cash and Investments

Checking	\$ 42,891.28
Investments	
	\$ 42,891.28

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	477.75	0.00	514.70	36.95	0.00	0.00
Classes	3,898.67	21,199.05	21,075.28	2,509.13	2,247.38	4,284.19
Clubs	1,457.18	935.28	1,270.15	1,444.79	1,444.79	1,122.31
Departments	787.82	851.83	1,043.83	779.83	779.83	595.82
Trusts	40,628.90	160,500.24	167,789.49	22,364.26	22,201.66	33,502.25
General	13,999.80	6,230.20	16,381.99	1,423.96	1,885.26	3,386.71
	\$ 61,250.12	\$ 189,716.60	\$ 208,075.44	\$ 28,558.92	\$ 28,558.92	\$ 42,891.28

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Section 3 of four pages of *Drop-safe Logs* (12-36505, 12-36506 12-36507, and 12-36509) was not completed by the verifier.
- One sponsor did not record the deposit information for one collection for \$180 on the *Drop-safe Log* before putting the monies into the safe.
- One sponsor held \$410 collected with MCR#793-1 for 4 working days before placing it in the schools drop-safe for deposit.
- A total of 14 collections recorded on eight pages of the *Drop-safe Logs* were marked as “do not deposit”, “gave back”, or were deleted (crossed out) without any explanation. However, there were no records to document that the monies were actually returned to and received by the sponsors, and eventually back to the drop-safe for deposit.
- The school’s *2016 End-of-the-Year Check-Out Form* mistakenly instructed staff to submit all the yellow copies of MCRs to the school treasurer. The yellow copies of MCRs should be submitted to the school secretary as required by District’s procedures.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. (1) Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. (2) The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. (3) Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections.

Delay in turning in the monies for deposit could result in potential irregularities.

- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*" The school should update its *End-of-Year Checklist* to ensure the instructions are consistent with the District's procedures.

Management's Response

Concur. The end of year checklist has been updated, the faculty has been retrained on the correct procedures for money collected documents, sales inventory reporting, drop-safe log procedures, and fundraising applications.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records revealed that:

- For the Holiday Shop (Account #7-0100.06):
 - Activities for this fundraiser began December 14, 2015. However, the sponsor for the Holiday Shop fundraiser did not complete the required annual eLearning Fundraiser Training Course until June 3, 2016; i.e. six months after activities began..
 - The *Sales Item Inventory Report* for the Holiday Shop fundraiser was neither signed by the sponsor nor reviewed and approved by the Principal.
 - The *Sales Item Inventory Report* for the Holiday Shop fundraiser was not completed with accurate information. The purchase price of each item was listed instead of the selling price. Consequently, revenues for the fundraiser could not be determined.
- The *Sales Item Inventory Report* for the First Grade Field Day T-Shirt Sales (Account #3-3100.02) was not completed. Missing information included number of items purchased, quantity sold, selling price and total sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. A review of policy has been done and these reports will be completed for every fundraising program to ensure accuracy and compliance.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- One P-Card transaction (for \$10) occurring on December 3, 2015, did not have any supporting documentation. Additionally, a *Missing Receipts Report* was not completed.
- Two P-Card transactions, totaling \$300.50, occurred in December 2015, did not have adequate supporting documentation. Both transactions were for food but did not provide the business purpose of the purchase or the attendees of the events. Moreover, the December 17, 2015, transaction (for \$269.95) was supported credit card receipt which did not provide the details of the items purchased.
- Supporting documentation was not always defaced (stamped "PAID") after payment. For example, the supporting documents for three disbursements totaling \$2,877.55 (#s 4277, 4304, and 4321) were not defaced after payments.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment was made.

Management's Response

Concur. The new secretary is aware of these policies and will ensure they are followed.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that \$2,261 in utility fees collected from 12 leases was inadvertently recorded in the Rental Income Account (#6-3800.00) instead of the Utilities Facility Rental Account (#6-5500.00). As a result, the school under-transmitted \$2,261 in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, Utility fees collected from leases should be recorded in the Utilities Facility Rental Account (#6-5500) and transmitted to the Central Office accordingly.

Management's Response

Concur. The new secretary is aware of the proper procedure for splitting lease funds when depositing the monies and accounting for them accurately. A form was created to ensure all funds are properly sent to the District.

Rolling Green Elementary School
Management Letter
Year Ended June 30, 2016

Additional comments

We concur with the final recommendations that records missing, delayed in processing or not properly completed can jeopardize the integrity of physical control system. We also understand that all school records should be properly safeguarded and retained for a time period consistent with the District's record retention schedule. The FY2016 bookkeeper was in her first year with the District. Our bookkeeper has now been properly trained by the School District of Palm Beach County to make sure Rolling Green is in compliance with internal control procedures. All faculty and staff have been retrained on the correct procedures for money collected documents, sales inventory reporting, drop safe log procedures and fundraising applications. We have made the adjustments to our end of the year checklist to reflect that Yellow Monies Collected Forms and receipts are to be turned into the school secretary per district guidelines. In addition the new secretary is aware of the district policies to have supporting documentation when using the P-card for food purchases and the proper procedures for a missing receipt.

Roosevelt Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1220 15th Street
 West Palm Beach, FL 33401

Principal:
 Fiscal Year 2016: Sharonda Alleyne
 During Audit: Sharonda Alleyne

Treasurer:
 Fiscal Year 2016: Sheereeneeca Evans
 During Audit: Sheereeneeca Evans

Cash and Investments

Checking	\$ 23,554.51
Investments	
	\$ 23,554.51

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	1,693.25	9,742.65	9,434.31	483.75	446.00	2,039.34
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	51.13	2,420.67	2,247.41	13.78	13.78	224.39
Trusts	18,068.98	39,456.00	36,697.39	4,727.47	6,289.50	19,265.56
General	1,468.60	9,034.12	10,001.78	3,645.23	2,120.95	2,025.22
	\$ 21,281.96	\$ 60,653.44	\$ 58,380.89	\$ 8,870.23	\$ 8,870.23	\$ 23,554.51

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The sponsors of the following three fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Winter Talent Show	#7-0100.04	12/17/2015	3/22/2016
Sweetheart Dance Snack Sale	#3-3500.01	2/12/2016	4/18/2016

- The financials for the Spring Fling Dance were recorded in the 3rd Grade Account (#3-3300.00), instead of a decimalized account for the sales. Also, the expenses for the Sweetheart Dance Snack Sales were recorded in the activity's primary account instead of the fundraiser's decimalized account (Account #3-3500.01).

Recommendation

Fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Principal and bookkeeper monitor completion of fundraiser eLearning course prior to approving all fundraisers. Bookkeeper will begin to create a decimalized account for each fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Nine disbursements totaling \$4,908.88 (#s 10534, 10540, 10541, 10543, 10544, 10563, 10581, 11267, and 11331) did not have the *Check Requisition* approved by the Principal.
- Three disbursements did not have adequate supporting documentation for the expenses:
 - Disbursement #10541 (for \$332.54) was supported by invoices totaling \$203.25, and the other \$129.29 did not have any supporting documentation for the expenses.
 - Disbursement #11267 (for \$1,536.51) did not have an invoice for the expense. Instead, it was supported by an estimate totaling \$1,701.46.
 - Disbursement #11271 (for \$23) was a refund to a student who paid for a field trip but did not attend. However, the disbursement did not have any supporting documentation of the original payment by the student.
- Disbursement #10563 (for \$784) was for payment to a consultant for scientific workshops held on February 5, 2016. However, the engagement of this consultant did not have a *School District Consultant Agreement (PBSD 1420)*.
- Five purchases with the school's P-Card (totaling \$1,106.94) during December 2015, included payment of \$62.66 in sales tax. All qualified purchases by the school should be exempted from paying sales tax.
- Supporting documentation such as invoices/receipts were not defaced (stamped "PAID") after payment in order to prevent duplicate payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- The issuance of a school check should be supported by the *Check Requisition* approved by the Principal. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Roosevelt Elementary School
Management Letter
Year Ended June 30, 2016

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by ***Section 8 of the Agreement and Florida Statutes §1012.465 (Jessica Lunsford Act)***.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases.
- To avoid duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

Management's Response

I have followed the tax exempt procedures as outlined in Chapter 24 of the PBSD Accounting Manual. Bookkeeper will begin immediately to ensure that check requisitions, supporting documentation and/or consultant agreements are obtained as applicable.

Rosenwald Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1321 Martin L King Jr Boulevard
 South Bay, FL 33493

Principal:
 Fiscal Year 2016: Dionne Napier
 During Audit: Dionne Napier

Treasurer:
 Fiscal Year 2016: Valerie Walker
 During Audit: Valerie Walker

Cash and Investments

Checking	\$ 21,757.97
Investments	
	\$ 21,757.97

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	8.00	8.00	0.00	0.00	0.00
Classes	0.00	12,490.50	12,102.27	29.57	417.80	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	67.64	1,656.42	1,656.42	0.00	0.00	67.64
Trusts	16,112.49	36,795.12	35,435.92	7,651.63	7,783.96	17,339.36
General	717.24	6,028.52	2,915.35	550.13	29.57	4,350.97
	\$ 16,897.37	\$ 56,978.56	\$ 52,117.96	\$ 8,231.33	\$ 8,231.33	\$ 21,757.97

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- For the following three fundraisers: (1) Safety Patrol Yankee Candle (Account #6-4000.05), (2) Safety Patrol Donut Sale (Account #6-4000.08) and (3) Safety Patrol Snack Sale (Account #6-4000.10):
 - The sponsors of all three fundraisers did not complete the required annual eLearning Fundraiser Training Course prior to conducting the fundraiser activities.
 - None of the *Sales Item Inventory Reports* were reviewed and approved by the principal. Instead, they were signed by the school treasurer.
 - The *Sales Item Inventory Report* were incomplete. Missing information included items purchased, items sold, item sales price and total sales price.
- A total of \$1,619 in sales revenue was deposited into Internal Funds. However, the catalog company reported total sales of \$2,147. As a result, \$528 (\$2,147 - \$1,619, or 25%) was unaccounted for.
- The sponsor of the Safety Patrol Donut Sale (Account #6-4000.08) used cash from the sales proceeds to purchase inventory rather than depositing the collections into the internal funds as required and requesting a school check.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

- To comply with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* and District guidelines, all fundraising proceeds should be deposited daily into the Internal Funds and accounted for in separate decimalized accounts. Expenditures related to fundraisers should be paid for by school checks or purchasing cards.

Management's Response

Concur. Meet with individual sponsors regarding their actions, and review recommendations during next faculty meeting. Also review again during first meeting of SY18.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements revealed that, one disbursement (#10611 for \$610) for the rental of an obstacle course with an attendant was supported with a *School District Consultant Agreement (PBSD 1420)*. However, the *Agreement* was not signed by the Principal and the vendor did not provide proof of liability insurance.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, disbursements for entertainment such as, bounce houses, obstacle courses, rock climbing walls and dunk tanks must be supported with an executed *School District Consultant Agreements* and proof of vendor liability insurance coverage.

Management's Response

Concur. Meet with individual sponsors regarding their actions, and review recommendations during next faculty meeting. Also review again during first meeting of SY18.

Royal Palm Beach Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 11911 Okeechobee Boulevard
 Royal Palm Beach, FL 33411

Principal:
 Fiscal Year 2016: Tracy Gaugler
 During Audit: Tracy Gaugler

Treasurer:
 Fiscal Year 2016: Angela Gadaleta
 During Audit: Angela Gadaleta

Afterschool Site Director:
 Fiscal Year 2016: Deborah Pagliaro
 During Audit: Deborah Pagliaro

Cash and Investments

Checking	\$ 63,686.70
Investments	
	\$ 63,686.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	238.25	0.00	199.00	0.00	0.00	39.25
Classes	47.00	55,154.59	54,751.66	1,512.49	1,962.42	0.00
Clubs	2,777.94	8,513.10	7,289.97	106.50	106.50	4,001.07
Departments	9,835.53	19,707.16	12,687.69	3,795.86	3,795.86	16,855.00
Trusts	54,395.02	579,777.81	593,319.26	5,440.37	6,518.84	39,775.10
General	2,511.33	9,196.62	10,220.07	3,965.81	2,437.41	3,016.28
	\$ 69,805.07	\$ 672,349.28	\$ 678,467.65	\$ 14,821.03	\$ 14,821.03	\$ 63,686.70

Royal Palm Beach Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

S.D. Spady Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 901 NW 3rd Street
 Delray Beach, FL 33444

Principal:
 Fiscal Year 2016: Rona Tata
 During Audit: Rona Tata

Treasurer:
 Fiscal Year 2016: Angelica Rios
 During Audit: Angelica Rios

Afterschool Site Director:
 Fiscal Year 2016: Maxwell Benn
 During Audit: Maxwell Benn

Cash and Investments

Checking	\$ 39,812.84
Investments	
	\$ 39,812.84

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	148.20	1,535.00	1,333.10	58.00	58.00	350.10
Classes	1,776.79	41,143.34	40,207.41	624.83	2,037.24	1,300.31
Clubs	574.28	1,834.30	428.13	1,673.59	1,673.59	1,980.45
Departments	3,424.52	13,304.41	12,161.12	2,461.97	2,461.97	4,567.81
Trusts	36,152.28	504,402.49	513,403.27	17,215.33	17,221.33	27,145.50
General	5,959.07	6,046.63	8,955.44	3,195.89	1,777.48	4,468.67
	\$ 48,035.14	\$ 568,266.17	\$ 576,488.47	\$ 25,229.61	\$ 25,229.61	\$ 39,812.84

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the school treasurer was performing incompatible duties. Specifically,

- The treasurer also prepared some Monies Collected Reports (MCRs) for other staff members to sign as remitters, in addition to maintaining the Internal Funds Records.
- The review of controls in prenumbered documents found that the school treasurer performed the monthly inventory of *School Checks* and completed the *Prenumbered Document Inventory Register (PBSD 0160)* for the Assistant Principal, who was the designated custodian for the *Checks*, to sign and confirm the monthly inventory was completed in accordance with District procedures.

Recommendation

To safeguard school assets and prevent conflict of interest through proper segregation of duties,

- Segregation of duties should be enforced at the school. Specifically, responsibilities in completing the MCRs should be performed by the activity sponsors, instead of the treasurer.
- The designated document custodian for the *School Checks* should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the *Logs*, as required by **Chapter 27 of the Internal Accounts Manual**.

Management's Response

Concur. Treasurer will not complete forms including MCRs and Document Inventory Register (PBSD 0160)

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records revealed that:

- Two disbursements (#11146 and #11147) totaling \$892.76 were reimbursements to employees for classroom supplies. However, \$185.81 of these disbursements (\$79.10 and \$106.71, respectively) were supported the requestor's credit card receipts which did not indicate the details of the items purchased.
- Five P-Card purchases (totaling \$387) during December 2015 included a total of \$16.90 in sales tax. All purchases by the school should be exempted from paying sales tax.

Recommendation

Disbursements should be administered in accordance with **Internal Accounts Manual** and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases

Management's Response

Concur. These receipts were from a conference. I will take extra precautions to be sure that all receipts are itemized and do not show sales tax was paid.

Sandpiper Shores Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 11201 Glades Road
 Boca Raton, FL 33498

Principal:
 Fiscal Year 2016: Stephanie Coletto
 During Audit: Stephanie Coletto

Treasurer:
 Fiscal Year 2016: Patricia Soletti
 During Audit: Patricia Soletti

Afterschool Site Director:
 Fiscal Year 2016: Carolina Desnoyers
 During Audit: Carolina Desnoyers

Cash and Investments

Checking	\$ 45,922.73
Investments	
	\$ 45,922.73

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	4,733.15	4,208.00	3,200.97	3,174.21	3,174.21	5,740.18
Classes	7,906.62	14,302.50	15,624.43	2,068.16	4,671.38	3,981.47
Clubs	826.11	1,624.81	1,061.07	0.00	0.00	1,389.85
Departments	3,999.60	13,851.28	15,644.27	398.97	214.27	2,391.31
Trusts	15,003.64	410,752.87	397,452.23	12,960.84	11,133.22	30,131.90
General	4,113.68	12,102.35	14,518.91	4,842.80	4,251.90	2,288.02
	\$ 36,582.80	\$ 456,841.81	\$ 447,501.88	\$ 23,444.98	\$ 23,444.98	\$ 45,922.73

Sandpiper Shores Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Seminole Trails Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4075 Willows Pond Road
West Palm Beach, FL 33417

Principal:
Fiscal Year 2016: Judith Garrard
During Audit: Judith Garrard

Treasurer:
Fiscal Year 2016: Yenny Hurtado
During Audit: Yenny Hurtado

Afterschool Site Director:
Fiscal Year 2016: Mariela Bort
During Audit: Mariela Bort

Cash and Investments

Checking	\$ 63,955.16
Investments	
	\$ 63,955.16

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	4,922.50	0.00	1,644.90	0.00	0.00	3,277.60
Clubs	1,118.22	6,229.18	5,222.41	2,354.33	3,261.70	1,217.62
Departments	11,083.35	15,686.89	13,741.11	4,308.67	3,808.67	13,529.13
Trusts	26,028.21	281,609.67	277,191.13	15,116.12	4,208.75	41,354.12
General	5,316.01	15,537.08	5,776.40	385.85	10,885.85	4,576.69
	\$ 48,468.29	\$ 319,062.82	\$ 303,575.95	\$ 22,164.97	\$ 22,164.97	\$ 63,955.16

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- The *Drop-safe Log* was not always completed with all the required information. Specifically, nine entries of *Section 3* on two pages (#s 12-79126 and 12-79133) of the *Log* were not signed by an independent verifier who was supposed to verify if the collections had been recorded into the General Ledger by the treasurer.
- Numerous collections were marked as “returned.” According to staff, those entries were either collections with errors or collections not ready for deposit and were returned to the respective sponsors for clarification. However, no records were maintained to document that the monies were actually returned to and received by the sponsors.
- The sponsor for three MCRs (#708-9, #708-10, and #746-4) did not indicate check numbers for nine collection totaling \$4,237.43.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were actually returned to the treasurer for deposit after the clarification was made by the sponsor.
- The payment’s check numbers should be noted on the “CHECK #” column of the MCR if payments were made by checks.

Management's Response

Concur. Principal addressed policies & procedures for "drop safe log" and "check #s" with specific individuals. As for the collections returned to sponsors, a policy about this procedure was never shared with bookkeepers. All DND collections were returned to the sponsors on the same day the safe was opened and sponsors deposited back the collections the same day (as noted on the next day's Drop Safe Log). Since informed of this added procedure, we have complied.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #8021 (for \$2,234.95) was for payment to a consultant for an in-house performance on September 4, 2015. However, the disbursement did not have the required *School District Consultant Agreement (PBSD 1420)*.
- The *Purchase Order* for Disbursement #8230 (\$1,134) was not approved by the Principal until three working days after the payment check date.
- Disbursement #8090 (\$1,508.78) was a payment for admission tickets for a field trip. This disbursement was supported by a handwritten Order Form. However, an itemized invoice or receipt was not included in the documentation.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to a consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed, and (2) most importantly, the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- Pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) a *Purchase Order* should be issued for purchase in excess of \$1,000.

- All expenses should be supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. 1. Per the Accounting Dept., schools do not have to complete a Consultant Contract when there is no fee paid to the consultant. 2. Principal reviewed policies & procedures with sponsor and bookkeeper. Sponsors need to make sure to submit paperwork prior to event/purchase. 3. An invoice was requested via phone, however, vendor does not issue invoices. Bookkeeper is aware that for any payments, an invoice needs to be submitted.

AFTERSCHOOL PROGRAM

Finding

The school's 2016 Summer Camp Program ended on August 5, 2016. However, as of October 11, 2016, the program had a total accounts receivable of \$2,690.51 from 20 students.

Recommendation

The Summer Camp Program is a self-sufficient program supported by user fees. To ensure fiscal accountability, program fees should have been collected in advance as required by the *Afterschool Programs Operational Manual*.

Management's Response

Concur. Parents will not be permitted to register campers without advance payment. All fees owed were placed on the A25 screen. Parents will not be allowed to register campers for FY17 summer camp unless they have a \$0 balance. Those parents will not be eligible for a payment plan.

South Grade Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 716 South "K" Street
 Lake Worth, FL 33460

Principal:
 Fiscal Year 2016: Michael Riley
 During Audit: Michael Riley

Treasurer:
 Fiscal Year 2016: Jessica Sills
 During Audit: Ronel Blaise

Afterschool Site School) Director:
 Fiscal Year 2016: Francheska Delgado-Rivera
 During Audit: Francheska Delgado-Rivera

Cash and Investments

Checking	\$ 16,184.92
Investments	
	\$ 16,184.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$ 380.00	\$ 380.00	\$0.00	\$0.00	\$0.00
Music	504.03	1,738.00	2,095.00	301.00	301.00	147.03
Classes	1,518.56	8,178.87	7,499.50	4,383.15	4,149.79	2,431.29
Clubs	1,333.26	5,195.00	4,798.49	582.66	1,251.90	1,060.53
Departments	1,513.27	4,696.09	4,325.44	27.08	88.53	1,822.47
Trusts	14,455.61	102,516.85	108,274.73	11,376.71	11,376.71	8,697.73
General	1,898.03	1,891.68	2,261.17	788.24	290.91	2,025.87
	\$ 21,222.76	\$ 124,596.49	\$ 129,634.33	\$ 17,458.84	\$ 17,458.84	\$ 16,184.92

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school revealed that:

- Monies collected were not always deposited into the drop-safe in a timely manner. For example, \$985.50 collected through four MCRs (# 542-1, #542-4, #601-22, and #601-23) was retained by the sponsor for one to three working days before the money was put in the drop-safe for deposit.
- The incoming mails were sorted and distributed by staff other than the school treasurer. However, during the audit, we noted that mails addressed to the treasurer, were given to him for opening and processing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *District Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could subject the sponsor to unwarranted liability and result in potential irregularities.
- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management's Response

Concur. Administration will monitor fundraisers to make sure that monies collected forms and the drop safe log dates match. This procedure is taught as part of the fundraiser training. Office staff and the bookkeeper will be alerted that designated staff will received bookkeeper mail.

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Spring Book Fair (Account #5-1700.01) began February 16, 2016. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until March 31, 2016; i.e., 27 working days after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Require all prospective sponsors of fundraisers to show evidence of completing the Fundraiser Training Course before the Principal approves any fundraiser.

DOCUMENTATION OF DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #5417 (for \$395) was for an in-house field trip in May, 2016. However, the related *Field Trip/Activity Planning Report and Request Form* was not prepared by staff. This form should also be approved by the Principal.
- A P-Card transaction (for \$619.49) occurred on December 11, 2015, was for the purchase of meals. However, the receipt did not list the nature of the items purchased and did not have a list of recipients.
- Disbursement (#5422 for \$1,410) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Supporting documents for two sample disbursements, totaling \$22,790, were not defaced after payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, a *Field Trip/Activity Planning Report and Approval Request* must be completed by the sponsor and pre-approved by the Principal for each field trip.
- A *Purchase Order* approved by the Principal should be issued for all purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To avoid potential duplicated payments, supporting documentation should be defaced (stamped “PAID”) after payment was made.

Management’s Response

Concur. In response the bookkeeper and designated office staff will review the Internal Accounts Manual to be sure that procedures are understood and followed by all.

AFTERSCHOOL PROGRAM

Finding

The review of records for Afterschool and Summer Camp Programs found that:

- The *Afterschool Registration Forms* for two of five sample students were not completed with the students emergency contact information.
- The \$25 registration fee was not collected from one of five sample students.

Recommendation

Afterschool Program should be administered in accordance with District’s guidelines and *Afterschool Programs Operational Manual*.

- *Afterschool Programs Registration Forms* should be completed with all the needed information, such as the emergency contact information, and signed by the parents/guardians.

- Registration fees, should be collected in accordance with the District's approved **Rate Schedule**. Fee waivers, if any, should be properly approved and documented.

Management's Response

Concur. School Administration will review relevant portions of the Afterschool Operational Manual with the Afterschool Director at the school highlighting forms and monies collected.

Additional comments

I am retiring April 30, 2017, from the PBCSD and intend to review these audit findings with my Assistant Principal and my Confidential Secretary before leaving. I recommend an exit audit be conducted prior to placing of a new principal at the school. There may be an interim when there is no Principal in place for the months of May to July 2017. I am concerned what might take place during this interim. Who will be responsible after I leave – not me.

**South Olive Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 7101 South Olive Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2016: Sharon Hench
During Audit: Melinda Springman

Treasurer:
Fiscal Year 2016: Amy Campbell
During Audit: Maribel Alvarez

Afterschool Site Director:
Fiscal Year 2016: Jim Anstead
During Audit: Jim Anstead

Cash and Investments

Checking	\$ 42,209.12
Investments	
	\$ 42,209.12

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,341.34	1,623.00	1,994.54	18.58	18.58	969.80
Classes	5,682.89	26,820.91	27,094.14	2,136.30	4,755.63	2,790.33
Clubs	0.00	20.00	0.00	0.00	0.00	20.00
Departments	6,629.71	20,269.89	19,916.80	90.92	1,514.01	5,559.71
Trusts	52,326.56	240,576.96	271,022.12	8,101.62	9,860.34	20,122.68
General	7,404.16	3,278.90	3,737.60	5,941.14	140.00	12,746.60
	\$ 73,384.66	\$ 292,589.66	\$ 323,765.20	\$ 16,288.56	\$ 16,288.56	\$ 42,209.12

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that the prior year's (2014-2015) *Drop-safe Log* was missing and appeared to have been discarded.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, as required by *Bulletin #P-14051-S/CFO*, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years."

Management's Response

Concur. The treasurer has been working to do this carefully and with another staff since her arrival in 8/2016.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that:

- The sponsor of the 4th Grade Pizza Cards fundraiser (Account #3-3400.01) did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Fundraising Application/Recap Forms* for the Book Fair (Account #5-1700.01) and the 4th Grade Pizza Cards (Account #3-3400.01) were not approved by the Principal. Additionally, the Recap portion of the *Form* was not completed for the Book Fair.
- The Guidance Department Cookie Sale (Account #5-1001.01) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure the fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*. Most importantly, non-approved fundraisers could subject the school to unwanted liabilities and unfunded debts.
- *Sales Item Inventory Report* should be properly prepared and completed with accurate information for each fundraising activity and be approved by the Principal. Accurate information will assist staff in reconciling the actual sales revenue with the estimated revenue. Significant discrepancies between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

The current treasurer verifies that any staff member hosting a fundraiser has completed the training.

DOCUMENTATION FOR DISBURSMENT

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Disbursement #11439 (for \$10,320) for an out-of-county field trip did not have supporting documentation for the expense.
- Five disbursements (#s 11415, 11446, 11467, 11501, and 12255) totaling \$2,567 were for in-house field trips and afterschool activities. However, the engagement of these consultants did not have a *School District Consultant Agreement (PBSD 1420)*.
- A \$ 678 P-card transaction was for purchase of an iPad and AppleCare, which is prohibited by the District's Purchasing Guidelines. These products must be purchased through the Marketplace or by special requisition.

Recommendation

Disbursement procedures should be administered in accordance with **Internal Accounts Manual, Purchasing Card Procedures** (Purchasing Manual Chapter 24), and related District guidelines. Specifically

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- P-Card should not be used for purchase of items and services disallowed by the Purchasing Manual.

Management's Response

The current treasurer has carefully monitored this as she has received her training.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop-Safe Logs* and *School Checks*.

Recommendation

To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *Drop-Safe Logs*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the forms.

Management's Response

Current treasurer has monitored this.

LEASING OF SCHOOL FACILITIES

Finding

The review of records in the Tririga System for leasing of school facilities noted that:

- The Tririga System indicated that the school had 18 leasing arrangements during the year. However, the school did not have a hard copy of the executed *Lease Agreements* for seven leases: #1001, #1006, #1007, #1008, #1011, #1014, and #1017)
- *Lease Agreement* #1002 was neither signed by the lessee nor by a witness.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, to ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

Management's Response

Concur. Current treasurer has required appropriate paperwork as she has been trained.

Additional comments

Many of these findings come from my prior treasurer.

Starlight Cove Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6300 Seminole Drive
Lantana, FL 33462

Principal:
Fiscal Year 2016: Cara Hayden
During Audit: Cara Hayden

Treasurer:
Fiscal Year 2016: Tracey Tartaglia
During Audit: Mariliuz Richiez

Afterschool Site Director:
Fiscal Year 2016: Jennifer Trent
During Audit: Jennifer Trent

Cash and Investments

Checking	\$ 17,537.91
Investments	
	\$ 17,537.91

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	36.81	517.00	500.27	0.00	0.00	53.54
Classes	2,522.38	23,798.85	25,097.40	2,459.98	2,459.98	1,223.83
Clubs	1,554.64	4,244.00	4,225.00	4,276.00	5,329.35	520.29
Departments	3,509.61	13,855.26	13,202.28	3,835.17	3,851.17	4,146.59
Trusts	25,990.86	153,256.10	169,069.01	2,964.33	3,061.16	10,081.12
General	808.67	1,178.16	1,640.47	1,166.18	0.00	1,512.54
	\$ 34,422.97	\$ 196,849.37	\$ 213,734.43	\$ 14,701.66	\$ 14,701.66	\$ 17,537.91

Starlight Cove Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Sunrise Park Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 19400 Coral Ridge Road
Boca Raton, FL 33498

Principal:
Fiscal Year 2016: Alicia Steiger
During Audit: Alicia Steiger

Treasurer:
Fiscal Year 2016: Marybeth Johnson
During Audit: Marybeth Johnson

Afterschool Site Director:
Fiscal Year 2016: Roseanne Lasorsa
During Audit: Roseanne Lasorsa

Cash and Investments

Checking	\$ 137,223.83
Investments	
	\$ 137,223.83

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	8.97	159.00	0.00	0.00	0.00	167.97
Classes	13,178.43	43,816.75	43,954.86	6,205.69	5,912.69	13,333.32
Clubs	920.83	397.75	0.00	0.00	0.00	1,318.58
Departments	46,838.39	26,037.31	24,691.71	6,520.30	6,520.30	48,183.99
Trusts	35,624.00	527,106.16	509,318.99	21,504.24	24,307.59	50,607.82
General	30,181.56	23,473.17	32,552.93	12,061.34	9,550.99	23,612.15
	\$ 126,752.18	\$ 620,990.14	\$ 610,518.49	\$ 46,291.57	\$ 46,291.57	\$ 137,223.83

DEPOSIT OF MONIES

Finding

The review of sample Monies Collected Reports (MCRs) and money collection process at the school found that:

- The bookkeeper did not always process collections in a timely manner. For example, \$6,669.66 collected through six MCRs (#529-10, #529-17, #536-2, #536-15, #536-16, and #536-19) were not processed by the bookkeeper until 6 to 14 working days after the sponsors put the monies into the drop-safe.
- *Monies Collected Reports* (MCRs) were not always completed with all the required information. For example, five MCRs (#515-21 for \$200; #515-29 for \$200; #515-32 for \$100; #536-31 for \$875; and #536-25 for \$13) did not have the check numbers for collections.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* requires that monies collected be deposited in the bank within five working days after collection. Delay in turning in the monies for deposit could increase the exposure to staff and result in potential irregularities.
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter's signature, payer's name, dollar amount, and the check number when appropriate.

Management's Response

Concur. Conference was held with the bookkeeper to establish weekly calendar of activities. Bi monthly meetings are held to review deposits, balances, etc. Procedures were reviewed with the faculty at the 2/15 faculty meeting. Examples were provided and specific examples reviewed of audit violations with staff members. Principal will continue to monitor closely.

SEGREGATION OF DUTIES

Finding

Although the data processor was the assigned custodian for the *Drop-safe Log*, the school treasurer prepared the *Prenumbered Document Inventory Register* (PBSD 0160), signed by the document custodian.

Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced. Specifically, to ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *Drop-Safe Logs*, should use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory of the forms.

Management's Response

Concur. Bookkeeping procedures were reviewed with all stakeholders immediately after the closing conference. Segregation of duties were reviewed with all stakeholders. Complete combination was changed immediately and expectations were clearly reviewed and captured through conference notes with bookkeeper.

LEASING OF SCHOOL FACILITIES

Finding

The review of records of school facilities leasing found that the leasing information for *Lease Agreements* #1051 and #1063 were recorded in the Tririga System. However, the school did not maintain the executed *Lease Agreements*.

Recommendation

To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of a copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

Management's Response

Concur. This finding occurred when my head secretary transferred to another location and my new secretary was not yet trained on leasing procedures. I do not foresee that this will occur again now that she is trained.

**Sunset Palms Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 8650 Boynton Beach Boulevard
Boynton Beach, FL 33437

Principal:
Fiscal Year 2016: Karen Riddle
During Audit: Karen Riddle

Treasurer:
Fiscal Year 2016: Jenny Weinerman
During Audit: Karen Price

Afterschool Site Director:
Fiscal Year 2016: Sheri Baumgardner
During Audit: Sheri Baumgardner

Cash and Investments

Checking	\$ 106,507.35
Investments	
	\$ 106,507.35

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	500.00	2,202.00	1,968.96	116.04	116.04	733.04
Classes	16,692.49	69,333.29	63,822.86	10,852.80	12,806.52	20,249.20
Clubs	379.75	0.00	0.00	0.00	379.75	0.00
Departments	12,224.84	32,709.80	36,325.49	7,232.32	6,297.18	9,544.29
Trusts	55,168.50	1,129,453.58	1,119,916.17	11,093.77	17,831.55	57,968.13
General	22,683.26	19,655.11	32,461.79	15,468.61	7,332.50	18,012.69
	\$ 107,648.84	\$1,253,353.78	\$1,254,495.27	\$ 44,763.54	\$ 44,763.54	\$ 106,507.35

Sunset Palms Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

The Conservatory @ North Palm Beach School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 401 Anchorage Drive
North Palm Beach, FL 33408

Principal:
Fiscal Year 2015: Teresa Stoupas
During Audit: Teresa Stoupas

Treasurer:
Fiscal Year 2015: Michelle Testa
During Audit: Michelle Testa

Afterschool Site Director:
Fiscal Year 2015: Allyson Goldfinger
During Audit: Patricia Vico

Cash and Investments

Checking	\$ 47,035.81
Investments	
	\$ 47,035.81

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$1,728.00	\$724.50	\$0.00	\$0.00	\$1,003.50
Music	942.89	45,359.31	38,238.04	9,267.13	6,972.13	10,359.16
Classes	237.44	5,332.00	2,660.39	153.61	2,707.61	117.61
Clubs	0.00	6,178.85	3,153.32	0.00	0.00	3,025.53
Departments	1,428.75	13,842.38	13,352.62	2,236.97	2,164.41	1,991.07
Trusts	42,191.87	334,340.63	348,658.32	1,000.00	1,622.31	27,251.87
General	4,070.85	6,993.13	8,585.66	2,110.73	1,301.98	3,287.07
	\$ 48,634.36	\$ 413,774.30	\$ 415,372.85	\$ 14,768.44	\$ 14,768.44	\$ 47,035.81

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that the sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
School Shirts	#7-0100.07	8/4/2015	2/2/2016
Garden Club	#4-2275.00	1/8/2016	Not Completed

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. System for monitoring now includes securing a copy of the completed training form to the fundraiser form before signatures of the bookkeeper and Principal

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #11190 (for \$2,165) was for purchase of yearbooks. However, the disbursement was supported by a contract signed by the sponsor instead of the principal.
- One P-Card purchase, totaling \$20.89, occurred during August 2015 but did not have supporting documentation for the expense. A *Purchasing Card Missing Receipt Report* was completed to document the missing receipt. However, the *Report* was not signed by the cardholder.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically,

- All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- Expenditures should be adequately documented and supported by itemized invoices and receipts in order to ensure the purchases are appropriate. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management’s Response

Concur. Signature of the sponsor was an error; all previous yearbook contacts have been signed by the Principal. Signature on the missing Receipt Report was overlooked, not a typical action.

Timber Trace Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 5200 117th Court North
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2016: Kathy Pasquariello
During Audit: Kathy Pasquariello

Treasurer:
Fiscal Year 2016: Dawn Hollandsworth
During Audit: Dawn Hollandsworth

Afterschool Site Director:
Fiscal Year 2016: Rhonda Heide
During Audit: Rhonda Heide

Cash and Investments

Checking	\$ 98,147.57
Investments	
	\$ 98,147.57

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	48.29	1,557.00	1,074.24	121.74	0.00	652.79
Classes	0.00	37,952.30	35,735.76	6,907.10	4,339.64	4,784.00
Clubs	7,174.09	18,927.56	12,960.26	7,138.58	11,444.33	8,835.64
Departments	12,585.13	40,485.80	34,381.47	18,920.18	12,335.46	25,274.18
Trusts	58,610.94	720,701.75	727,279.88	31,349.87	30,701.90	52,680.78
General	6,460.27	18,863.87	13,787.82	10,428.02	16,044.16	5,920.18
	\$ 84,878.72	\$ 838,488.28	\$ 825,219.43	\$ 74,865.49	\$ 74,865.49	\$ 98,147.57

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school revealed that some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, the deposit information for a total of \$112 for five collections on three *Drop-safe Log* pages (#s 14-45854, 14-45819, and 14-45919) was not recorded on the log.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* and District guidelines. Specifically, responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system by entering the *Official Receipt* number on the *Log*.

Management's Response

Accounting Department has entrusted treasurer's to log the deposit on the drop safe log by the second verifier and note that it was not logged by sponsor. The elearning training for deposits does not indicate that both verifiers need to initial in section 2 of the log.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- The sponsors of the following fundraisers did not complete the annual eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Smencils	#4-4810.03	4/18/2016	Did not complete
School Store	#7-0100.01	7/1/2015	Did not complete

- Based on the school’s accounting records, the DC Candy Sale (Account #4-4300.01), the school purchased 160 cases of candy for resale. However, the sponsor indicated only 150 cases on the *Sales Item Inventory Report*. Consequently, 10 cases of candy with a resale value of \$600 (10 cases x \$60) was unaccounted for. According to the sponsor, some students did not turn in monies for the candy and were required to pay for the cost of the candy. The cost recouped was deposited into the trip account instead of the fundraiser account. The sponsor did not provide documentation for those deposits.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- Fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.
- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with all the accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly

Management’s Response

Concur. Training will be completed prior to fundraising beginning. Each sponsor will be required to ensure that sales item inventory are accurate.

U.B. Kinsey/Palmview Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 800 11th Street
West Palm Beach, FL 33401

Principal:
Fiscal Year 2016: Adrienne Howard
During Audit: Adrienne Howard

Treasurer:
Fiscal Year 2016: Angelica Alvarez / Rossy Mejia
During Audit: Vernisa Ayers

Afterschool Site Director:
Fiscal Year 2016: Cynthia Stubbs
During Audit: Cynthia Stubbs

Cash and Investments

Checking	\$ 60,062.86
Investments	
	\$ 60,062.86

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	20,878.94	89,589.00	86,752.13	16,994.86	20,083.86	20,626.81
Classes	2,097.17	13,468.44	11,752.99	4,548.31	4,354.72	4,006.21
Clubs	5,608.24	26,090.80	20,746.26	10,348.85	10,301.69	10,999.94
Departments	519.54	2,119.31	1,984.83	2.31	2.31	654.02
Trusts	8,891.22	177,362.79	168,529.40	16,330.37	13,211.37	20,843.61
General	1,242.51	10,733.07	8,772.56	3,314.17	3,584.92	2,932.27
	\$ 39,237.62	\$ 319,363.41	\$ 298,538.17	\$ 51,538.87	\$ 51,538.87	\$ 60,062.86

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that:

- The sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Drama Shoulder Buddies	#4-1650.04	10/27/2015	Did not complete
GA School Shirts	#7-0100.01	8/17/2015	1/22/2016
World Finest Chocolate Sales	#2-3501.07	12/14/2015	5/12/2016

- Based on the *Sales Item Inventory Report* the World's Finest Chocolate fundraiser (Account #2-1000.05), should have generated a total sales revenue of \$2,760. However, only \$2,160 in sales revenues was deposited into the Internal Funds during the year. As indicated by the sponsor, \$600 worth of items were from students that did not return or pay for the resale items. Consequently, \$600 (\$2,760-\$2,160) in estimated revenue was uncollected.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The school should consider including the responsible students on the obligation list for uncollected funds.

Management's Response

Concur. Administration will ensure that all that all teachers submit evidence that of eLearning training course with application prior to fundraiser being approved.

**Verde Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6590 Verde Trail
Boca Raton, FL 33433

Principal:
Fiscal Year 2016: Seth Moldovan
During Audit: Seth Moldovan

Treasurer:
Fiscal Year 2016: Marie Steffes
During Audit: Marie Steffes

Afterschool Site Director:
Fiscal Year 2016: Jacob Lucarelli/Lorraine Conover
During Audit: Marie Schonger

Cash and Investments

Checking	\$ 33,685.63
Investments	
	\$ 33,685.63

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	24,265.05	23,301.81	4.85	968.09	0.00
Clubs	6,937.90	26,252.20	26,157.10	10,281.49	7,731.63	9,582.86
Departments	6,596.19	14,401.84	15,676.41	3,698.86	3,698.86	5,321.62
Trusts	20,462.48	643,119.04	643,035.16	6,076.47	10,369.74	16,253.09
General	2,638.95	12,985.13	15,802.67	4,901.36	2,194.71	2,528.06
	\$ 36,635.52	\$ 721,023.26	\$ 723,973.15	\$ 24,963.03	\$ 24,963.03	\$ 33,685.63

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsors of the following two fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Safety Patrol Freeze Pops	#4-4300.01	3/14/2016	4/20/2016
Safety Patrol Candy Sales (Sept.)	#4-4300.04	9/8/2015	Did not complete

Furthermore, the sponsor for the September Safety Patrol Candy Sales did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is aware of and complying with the updated fundraising procedures, fundraiser sponsor should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing.

Management's Response

Concur. Staff will check to ensure fundraising training course is completed before fundraising begins in the future. Principal will ensure Sales Item Inventory Report is completed for all fundraisers.

Village Academy on the Art & Sara Jo Kobacker Campus
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 400 SW 12th Avenue
Delray Beach, FL 33444

Principal:
Fiscal Year 2016: Latoya Dixon
During Audit: Latoya Dixon

Treasurer:
Fiscal Year 2016: Dawne Girtman
During Audit: Dawne Girtman

Cash and Investments

Checking	\$ 62,805.60
Investments	
	\$ 62,805.60

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 587.85	\$ 31,028.74	\$ 34,141.51	\$ 18,516.86	\$ 13,090.52	\$ 2,901.42
Music	50.48	0.00	50.00	0.00	0.00	0.48
Classes	2,842.95	39,406.35	38,146.89	10,822.26	12,010.49	2,914.18
Clubs	5,306.07	4,968.80	5,967.18	3,199.74	1,809.45	5,697.98
Departments	1,051.41	2,271.57	1,852.43	632.95	1,052.95	1,050.55
Trusts	38,685.25	112,091.58	90,735.34	4,451.70	15,639.94	48,853.25
General	429.81	67,733.45	72,755.36	7,255.12	1,275.28	1,387.74
	\$ 48,953.82	\$ 257,500.49	\$ 243,648.71	\$ 44,878.63	\$ 44,878.63	\$ 62,805.60

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- Seven pages (page #s 12-52057 through #12-52063) of the *Drop-safe Log* were missing. The missing pages were for collection information during April 3 through 28, 2016.
- Monies collected through two MCRs (#482-1 for \$246.25 and #482-2 for \$9) were held three to four days by the sponsors before being put into the drop-safe for deposit.
- Two yellow copies of MCRs showed a sponsor collected \$39 (\$36, July 9, 2015 and \$3, May 23, 2016), however, there was no record of these collections being recorded on the *Drop Safe Log* or deposited into the school's Internal Funds. Consequently, \$39 in collection was unaccounted for.
- One sponsor did not record the check number for one check totaling \$350 on related the MCR (#464-29).

Recommendation

Money collections should be administered in accordance with related District guidelines and *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years."
- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected should be put into the drop-safe daily, and deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- Sponsors should ensure all collections are supported with a MCR and the collections are entered on the *Drop Safe Log* and deposited into the drop-safe.
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter's signature, payer's name, dollar amount, and check number when appropriate.

Management's Response

Concur. The seven pages of the drop safe log were located. The pages had fallen behind a filing cabinet drawer. These steps will be followed immediately: monthly logs for drop safe log will be kept & monitored through the pre-numbered document inventory registry. Staff will be retrained on collecting funds.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The sponsors of the following three fundraisers did not complete the required annual eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Yearbook Sales	#4-6390.00	4/7/2016	Did not complete
Athletic Apparel Sale	#1-0010.05	9/29/2015	Did not complete
Mother's Day Cakes	#3-2016.07	3/1/2016	6/3/2016

- The Yearbook (Account #4-6390.00) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Effective immediately all requesting to conduct a fundraiser will be required to attach documentation to fundraiser form. At that time I will be able to verify that the training is done prior to the start of the fundraiser. The Sales items inventory will be collected at the end of each drop. Staff will be retrained.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that:

- Disbursement #11827 (for \$1,011.50) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.
- Disbursement #12085 (for \$330) was an advance payment to an employee for student meals during the Boys Varsity Basketball team trip on February 20, 2016. However, the advance was supported by itemized receipts totaling \$198.11. The remaining \$131.89 was not returned to the school and there was no explanation.
- Disbursement #12116 (for \$450) was for rental payment of inflatable entertainment equipment, with attendants, for the Jr. Challenge Obstacle Course Event. However, this disbursement did not have the required proof of liability insurance coverage from the vendor.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically,

- Pursuant to the District's ***Purchasing Manual*** and ***Internal Accounts Manual***, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) *Purchase Order* should be issued for purchase in excess of \$1,000.
- School expenditures should be supported by itemized invoices or receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Rentals of inflatables and other entertainment equipment for school activities should be administered in accordance with the District's ***Special Events Guide for Insurance and Loss Prevention***. The school should obtain the required proof of liability insurance coverage from the vendor.

Management's Response

Concur. Disbursements & purchasing policies will be followed. Retraining of staff. Quick reference sheet will be provided for staff. Protocols for school expenditures and required documentation needed such as receipts, invoices, and Purchase Order will be reviewed with staff again.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that, the lessee and witness signed "Review in Progress" copy of *Lease Agreement* #1002. Also, the lease was not signed by the Principal. .

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, to ensure *Lease Agreements* are legally enforceable, the "Issued" or "Completed" copies should be properly executed with all the required signatures.

Management's Response

Concur. The leasing agreement was signed by the current Principal. The outgoing principal's printed signature remained on the page. Bookkeeper submitted request to have it removed. There was delay in getting this updated. Current principal manually signed documents until updated.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not maintain the following records:

- *Document Custodian Assignment Register (PBSD 1663).*
- *Prenumbered Document Inventory Register (PBSD 0160) for Drop-Safe Log and School Checks.*

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated document custodian should be assigned for each prenumbered form; and the assignment should be recorded on the *Document Custodian Assignment Register* (PBSD 1663) accordingly.
- To ensure all prenumbered documents are properly accounted for, the document custodian should complete the monthly inventory of the *Drop-safe Logs* and *School Checks* through the *Prenumbered Document Inventory Register* (PBSD 0160).

Management's Response

Concur. All required protocols will be followed immediately. A document custodian has been identified and assigned to responsibilities for the prenumbered document inventory register.

**Washington Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1709 West 30th Street
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Sandra Edwards
During Audit: Sandra Edwards

Treasurer:
Fiscal Year 2016: Cynthia Kunjbehari
During Audit: Cynthia Kunjbehari

Afterschool Site Director:
Fiscal Year 2016: Demetria White
During Audit: Demetria White

Cash and Investments

Checking	\$ 14,356.06
Investments	
	\$ 14,356.06

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	212.33	1,690.00	187.50	1,483.00	1,483.00	1,714.83
Classes	357.18	2,209.00	1,987.26	880.00	880.00	578.92
Clubs	350.21	12,744.00	11,813.87	4,044.10	4,044.10	1,280.34
Departments	1,066.29	770.55	1,666.11	474.10	474.10	170.73
Trusts	9,553.84	64,817.26	65,290.87	4,290.55	4,208.50	9,162.28
General	621.01	1,580.52	670.52	0.00	82.05	1,448.96
	\$ 12,160.86	\$ 83,811.33	\$ 81,616.13	\$ 11,171.75	\$ 11,171.75	\$ 14,356.06

DEPOSIT OF MONIES

Finding

The school was unable to locate some of the yellow copies of MCRs and the related computerized *Official Receipts* that should have been turned-in by activity sponsors at year-end for record retention.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of documentation for sample fundraisers found that:

- The sponsor for the P.E Coupon Book Sales (Account 5-1900.01) and the Sport Drink Sales (Account # 5-1900.03) did not complete the required eLearning Fundraiser Training Course for the Fiscal Year 2016.
- The *Sales Items Inventory Reports* for the P.E Coupon Book Sales (Account 5-1900.01) and the Sport Drink Sales (Account # 5-1900.03) were not approved by the Principal.
- Although a *Sales Item Inventory Report* for the Domino's Pizza Cards Sale (Account #6-3300.02) was prepared, it was neither signed by the sponsor nor approved by the Principal. Moreover, none of the fundraiser information was recorded on the form. Missing information included (1) the beginning and ending inventories, (2) the quantities of items purchased, sold, and given-away, and (3) the selling prices and revenues.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur.

AFTERSCHOOL PROGRAM

Finding

The review of Afterschool Program records found that the Child Custody Section of the *Registration Form* for one of the five sample students was not completed with any of the required information.

Recommendation

The Afterschool Program should be administered in accordance with District's guidelines and *Afterschool Programs Operational Manual*. To protect the best interests of students, the *Afterschool Programs Registration Form* for each student should be completed with all the needed information and signed by the parent/guardian

Management's Response

Concur.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that:

- The *Document Custodian Assignment Register (PBSD 1663)* was neither completed nor signed by the Principal.

Washington Elementary School
Management Letter
Year Ended June 30, 2016

- The school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for *School Checks*.

Recommendation

To ensure proper fiscal accountability and as required by **Chapter 27 of the Internal Accounts Manual**,

- Designated staff should be assigned as Document Custodians for each prenumbered form, and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *School Checks*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the prenumbered forms.

Management's Response

Concur.

Waters Edge Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 21601 Shorewind Drive
 Boca Raton, FL 33428

Principal:
 Fiscal Year 2016: Diane Rivelli-Schreiber
 During Audit: Joshua Davidow

Treasurer:
 Fiscal Year 2016: Eileen Cuffari
 During Audit: Eileen Cuffari

Afterschool Site Director:
 Fiscal Year 2016: Marie Schonger
 During Audit: Patricia Mula

Cash and Investments

Checking	\$ 37,666.57
Investments	
	\$ 37,666.57

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	526.00	616.52	100.00	9.48	0.00
Classes	0.00	88,500.75	84,014.70	1,448.86	5,934.91	0.00
Clubs	0.00	335.00	335.00	0.00	0.00	0.00
Departments	4,062.79	22,221.90	18,307.95	11,497.01	12,292.69	7,181.06
Trusts	27,779.79	670,145.19	677,517.19	12,353.45	14,154.11	18,607.13
General	14,938.49	80,082.01	90,133.99	26,807.24	19,815.37	11,878.38
	\$ 46,781.07	\$ 861,810.85	\$ 870,925.35	\$ 52,206.56	\$ 52,206.56	\$ 37,666.57

Waters Edge Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Wellington Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 13000 Paddock Drive
Wellington, FL 33414

Principal:
Fiscal Year 2016: Maria Vaughan
During Audit: Maria Vaughan

Treasurer:
Fiscal Year 2016: Laurie Maglocco
During Audit: Laurie Maglocco

Afterschool Site Director:
Fiscal Year 2016: Lindsay Oerter
During Audit: Lindsay Oerter

Cash and Investments

Checking	\$ 52,278.92
Investments	
	\$ 52,278.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	1,527.57	1,765.00	3,786.43	1,065.80	226.80	345.14
Classes	459.66	19,234.47	18,754.95	5,390.96	5,488.82	841.32
Clubs	2,925.50	0.00	0.00	0.00	2,925.50	0.00
Departments	12,348.80	20,799.04	21,618.07	6,004.05	6,843.05	10,690.77
Trusts	36,808.46	440,029.22	445,464.12	16,742.44	17,436.33	30,679.67
General	7,266.31	4,403.28	5,664.82	6,612.10	2,894.85	9,722.02
	\$ 61,336.30	\$ 529,231.01	\$ 538,288.39	\$ 35,815.35	\$ 35,815.35	\$ 52,278.92

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Yearbook Sales (Account #7-0100.01) began October 8, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until January 3, 2016; i.e., three months after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. All sponsors will be notified by bookkeeper that they need to complete the training. Bookkeeper will check course is completed before fundraising begins.

**West Gate Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1545 Loxahatchee Drive
West Palm Beach, FL 33409

Principal:
Fiscal Year 2016: Patricia Ordonez-Feliciano
During Audit: Patricia Ordonez-Feliciano

Treasurer:
Fiscal Year 2016: Lissette Miranda
During Audit: Lissette Miranda

Afterschool Site Director:
Fiscal Year 2016: Lisdey Padron
During Audit: Lisdey Padron

Cash and Investments

Checking	\$ 16,350.02
Investments	
	\$ 16,350.02

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	310.99	0.00	0.00	0.00	0.00	310.99
Classes	470.10	9,093.89	9,120.22	2,304.14	2,304.14	443.77
Clubs	1,605.77	13,035.40	9,136.88	4,266.43	6,209.43	3,561.29
Departments	4,346.97	4,337.14	7,435.41	1,221.33	1,221.33	1,248.70
Trusts	14,923.57	100,865.34	107,990.64	2,487.59	544.79	9,741.07
General	2,967.55	7,235.76	9,159.31	1,470.12	1,469.92	1,044.20
	\$ 24,624.95	\$ 134,567.53	\$ 142,842.46	\$ 11,749.61	\$ 11,749.61	\$ 16,350.02

AFTERSCHOOL PROGRAM

Finding

The school's Summer Camp Program ended on August 5, 2016. However, as of February 6, 2017, this program had a total accounts receivable balance of \$1,527.56 from 13 students, which was past due for more than six months. Similar findings for untimely collection of Summer Camp fees were noted in previous years' (2014 and 2015) audits.

Recommendation

Summer Camp Programs are self-sufficient programs supported by user fees. To ensure fiscal accountability, program fees should be collected in advance as required by the **District Afterschool Programs Camp Operational Manual**. The **Manual**, page 3-1, states "all fees for an enrolled camper must be collected prior to the start of each session."

Management's Response

Concur. Principal met with Aftercare/Summer Camp director to address the situation. Report "Aging Report Summary" was reviewed. Families who owed monies were contacted and all monies were collected. As of 4/7/2017, no outstanding balance is due. (Total = \$0) Principal has directed Aftercare/Summer Camp director to follow the manual (pages 3-1) and collect all fees prior to the start of each session.

**West Riviera Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1057 West 6th Street
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Tonja Lindsey-Latson
During Audit: Willie Nelson

Treasurer:
Fiscal Year 2016: Kerri McDonald-Rodgers
During Audit: Kerri McDonald-Rodgers

Afterschool Site Director:
Fiscal Year 2016: Jasmin Reed
During Audit: Jasmin Reed

Cash and Investments

Checking	\$ 773.49
Investments	
	\$ 773.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	920.00	799.44	0.00	120.56	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	17.35	1,488.08	1,465.85	0.00	17.35	22.23
Trusts	3,185.26	32,134.14	34,882.22	0.00	63.25	373.93
General	221.05	1,800.23	1,845.11	201.16	0.00	377.33
	\$ 3,423.66	\$ 36,342.45	\$ 38,992.62	\$ 201.16	\$ 201.16	\$ 773.49

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The sponsor for the following two fundraisers did not complete the required eLearning Fundraiser Training during Fiscal Year 2016, (1) Pizza Card (Account #6-4000.19) and (2) Jean Day (Account #6-04000.17)
- The recap portion of the *Fundraising Application/Recap Form* for the Jean Day fundraiser (Account #6-0400.17) was neither completed by the sponsor nor verified by the treasurer.
- The Pizza Card fundraiser (Account #6-4000.19) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with **School Board Policy 2.16** and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be properly prepared and completed with accurate information for each fundraiser and be approved by the principal. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Three Disbursements totaling \$ 610.60 (#8204, #8207, and #8216) did not have any supporting documentation for the expenses.
- Four P-Card transactions occurred in October 2015 (totaling \$271.66) did not have adequate supporting documentation. Two transactions were supported by credit card receipts that did not have the details of the items purchased. Two purchases were for staff food but the documentation did not include a meeting roster of attendance.
- Supporting documentation such as invoices/receipts were not defaced (stamped “PAID”) after payment in order to prevent potential duplicate payments.

Recommendation

Disbursements should be administered in accordance with **Internal Accounts Manual** and the related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To ensure proper fiscal accountability, the purposes and justifications should be documented for all expenditures.
- To avoid duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

Management’s Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for Leasing of school facilities found that:

- The Central Office's portion of the rental income collected from all leases was not properly allocated. Instead the income was recorded in the Rental Income Account (#6-3800). As a result, the school under-transmitted the \$104 in District Share to the Central Office.
- Three *Lease Agreements* were not always properly executed with all the signatures in a timely manner.
 - *Lease Agreement #1006* was not approved by the Principal until six days after the leasehold period had begun.
 - *Lease Agreement #1002* was not signed by the lessee.
 - *Lease Agreements #1001, #1002, and #1006* were neither signed nor dated by a witness.
- Leasing charges for two leases (*Lease #1001* and *#1006*) were not collected prior to the lessee's use of the facilities. Delays ranged from two to six days.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- The Central Office's portion of rental income should be recorded in the respective Internal Funds accounts and transmitted to the Central Office in accordance with the District's *Approved Rate Schedule*
- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18***, requires that leasing charges "*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur.

AFTERSCHOOL PROGRAM

Finding

The school operated an Afterschool Program until January 2016, when it was discontinued. However, all records for the program were missing and could not be located during the school audit. Missing records included Student Registration Forms, Student Attendance Rosters, Parent Sign-Out Sheets, Fee waiver/Employee Discount Documentation, and Monthly FTE Reports.

Recommendation

All records should be retained for a time period consistent with *Afterschool Programs Operational Manual* and *District Record Retention Schedule*.

Management's Response

Concur.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found the following:

- Although the principal approved the *Document Custodian Assignment Register* (PBSD 1663), a document custodian was not assigned for school checks.
- The school did not maintain the *Prenumbered Document Inventory Register* (PBSD 0160) for the *Drop-safe Log*.

Recommendation

To ensure proper fiscal accountabilities and as required by **Chapter 27 of the Internal Accounts Manual**,

- A designated document custodian should be assigned for each prenumbered form and staff assignment should be recorded on the *Document Custodian Assignment Register* (PBSD 1663) accordingly.

West Riviera Elementary School
Management Letter
Year Ended June 30, 2016

- To ensure all prenumbered documents are properly accounted for, the document custodian for each prenumbered document, including Drop-safe Logs, should use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory check of the prenumbered forms.

Management's Response

Concur.

**Westward Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1101 Golf Avenue
West Palm Beach, FL 33401

Principal:
Fiscal Year 2016: Bobbie Brooks
During Audit: Bobbie Brooks

Treasurer:
Fiscal Year 2016: Gwen Hutley
During Audit: Gwen Hutley

Afterschool Site Director:
Fiscal Year 2016: Zipporah Morris
During Audit: Zipporah Morris

Cash and Investments

Checking	\$ 21,944.05
Investments	
	\$ 21,944.05

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00
Classes	1,025.34	13,507.25	10,124.84	6,530.95	6,279.95	4,658.75
Clubs	2,624.41	9,082.16	10,134.66	4,503.84	4,503.84	1,571.91
Departments	215.16	2,371.12	558.80	0.00	0.00	2,027.48
Trusts	16,525.90	97,405.13	101,301.28	7,701.06	9,270.68	11,060.13
General	2,495.85	13,438.00	14,626.69	2,091.67	773.05	2,625.78
	\$ 22,886.66	\$ 135,803.66	\$ 136,746.27	\$ 20,827.52	\$ 20,827.52	\$ 21,944.05

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that the sponsor for the Pizza Cards fundraiser (Account # 4-3300.05) was a parent member of the school's Parent Teacher Organization. However, documentation was not available to determine if the parent member completed the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure fundraiser sponsors have knowledge of and will be complying with the updated fundraising procedures, they should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activity.

Management's Response

Concur. The PTO president did take the training but since they are not able to log in as a school board employee there is no written verification to confirm the training from the eLearning website. If there is a way this can be done please inform us.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that \$98 in utility fees collected from Lease #1001 was inadvertently recorded in the Rental Income (Account #6-3800.00) instead of the Utilities (Account #6-5500.00). As a result, the school under-transmitted \$98 in utility fees to the Central Office.

Recommendation

Utility fees collected from leases should be recorded in the Utilities (Account #6-5500) and transmitted to the Central Office accordingly.

Management's Response

Concur. This was the AP's first lease and she has been made aware of the error. I will check for the appropriate allocations with future leases.

**Whispering Pines Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 9090 Spanish River Boulevard
Boca Raton, FL 33496

Principal:
Fiscal Year 2016: Barbara Riemer
During Audit: Barbara Reimer

Treasurer:
Fiscal Year 2016: Danielle Torres/Deborah DeBilzan
During Audit: Deborah DeBilzan

Afterschool Site Director:
Fiscal Year 2016: Christine Sims
During Audit: Alexandra Vital

Cash and Investments

Checking	\$ 59,665.44
Investments	
	\$ 59,665.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	88.46	493.00	48.00	0.00	0.00	533.46
Classes	288.30	80,687.87	66,484.81	7,495.43	16,781.79	5,205.00
Clubs	667.66	2,107.68	1,934.10	5.99	11.10	836.13
Departments	7,985.56	38,313.24	32,230.77	9,528.21	10,362.05	13,234.19
Trusts	16,947.60	669,369.78	656,181.88	12,914.80	4,417.64	38,632.66
General	1,283.31	2,462.12	4,149.58	2,620.25	992.10	1,224.00
	\$ 27,260.89	\$ 793,433.69	\$ 761,029.14	\$ 32,564.68	\$ 32,564.68	\$ 59,665.44

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process found that one page (#12-63970) of the *Drop Safe-Log* was missing. The *Drop-safe Log* custodian identified the missing page in a timely manner. The missing page should contain the collection information for October 14 through 15, 2015.

Recommendation

To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Management’s Response

Concur. Recommendation is being followed. It was determined that no entries were made on DSL 12-63970. Apparently log was removed by someone unaware it was an audit item.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that the Coupon Books (Account #6-4000.01) had the following exceptions the *Sales Item Inventory Report* for the fundraiser was not signed by the sponsor.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically, *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, *the Sales Item Inventory Report* should be approved by the Principal to confirm the ending inventory, if any.

Management’s Response

Concur. Sponsors are given a fundraiser sample packet when they turn in their Fundraiser Application. Sponsors are also asked at that time if they have taken the training, even though this is part of the Fundraiser Application.

LEASING OF SCHOOL FACILITIES

Finding

The school collected a total of \$2,400 in utility fees during the year. However, the school inadvertently recorded \$1,374 in utility fees into Rental Facilities (Account #6-3800.00). As a result, \$1,374 was not transmitted to the Central Office as required by the District's procedures.

Recommendation

The Central Office's portion of rental income should be recorded in the respective Internal Funds accounts and transmitted to the Central Office in accordance with the District's *Approved Rate Schedule*.

Management's Response

Concur. Utility funds for 2015-2016 school year have been transmitted to the Central Office. Proper procedures for recording utilities fees have been followed since revealed at audit.

Additional Comments

This audit was a reflection of the bookkeeper's first year at Palm Beach County Schools. The audit findings provided additional information for the Bookkeeper to stay in compliance.

**Wynnebrook Elementary School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1167 Drexel Road
West Palm Beach, FL 33417

Principal:
Fiscal Year 2016: Jeffrey Pegg
During Audit: Suzanne Berry

Treasurer:
Fiscal Year 2016: Edna Legister-Minor
During Audit: Edna Legister-Minor

Afterschool Site Director:
Fiscal Year 2016: Maurice Berry
During Audit: Adam Laing

Cash and Investments

Checking	\$ 17,396.74
Investments	
	\$ 17,396.74

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	559.27	3,111.50	3,305.06	1,064.04	1,064.04	365.71
Classes	0.00	4,686.50	4,245.25	351.25	351.25	441.25
Clubs	1,221.69	3,508.16	2,641.73	13.44	1,086.60	1,014.96
Departments	1,262.01	2,617.78	1,839.19	1,075.14	1,075.14	2,040.60
Trusts	10,256.91	181,616.49	182,234.79	6,852.32	5,779.16	10,711.77
General	4,288.35	4,041.94	5,507.84	0.00	0.00	2,822.45
	\$ 17,588.23	\$ 199,582.37	\$ 199,773.86	\$ 9,356.19	\$ 9,356.19	\$ 17,396.74

Wynnebrook Elementary School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Middle Schools

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Middle Schools Summary of Audit Findings FY 2016 Internal Funds Audits

Middle Schools	Community School / Summer Camp / Safe School Programs									Disbursements				Receipts				Leases				Other						Number of Findings									
	Fees Not Timely Transmitted to Central Office	Student Registration and Attendance Records Missing	Missing Timecard	Timecard Not Signed By Employee	Timecard Not Signed-off By Supervisor	Payroll Did Not Match With Employee Timecard	Staff Incurred Excessive Hours	Program Deficit and/or High Staffing Level	Wages/Stipends Paid From Internal Funds	Inadequate Support for Disbursement	P-Card Related Findings	Disbursement Not Properly Approved	Disbursement Funded By Incorrect Account	Access to Drop Safe	Drop Safe Log Not Used Completely	Monies Not Deposited Timely	Receipts Recorded In Wrong Account	Copy of MCR Not Maintained by Spoons	Monies Collected Not Properly Documented	Lease Prequalification Not Available	Lease Agreement Not Adequately Maintained	Inadequate Proof of Insurance	Fees Collected After Use	Undercharged Rental	Leasing Fee Collections Incorrectly Distributed	Monies and School Checks Not Adequately Safeguarded	Staff Performing Incompatible Duties		Bank Reconciliation Not Completed Timely	Adjustments To Records Not Properly Approved/Documented	Fundraisers Not Adequately Documented	Field Trips Not or Late Approved By Principal	Out of County Trips Not Approved By Area Superintendent	No Document Custodian Assigned for Prenumbered Documents	Periodic Inventory Not Performed for Prenumbered Documents		
L.C.Swain Middle									√									√		√																	4
Lake Shore Middle									√																												2
Lake Worth Middle														√																							1
Lantana Middle																																					0
Loggers Run Middle																																					0
Odyssey Middle									√		√			√								√													√		6
Okeehelsee Middle																																			√		1
Omni Middle																				√																	3
Osceola Creek Middle										√	√	√		√	√						√		√												√		8
Palm Springs Middle	√								√	√					√																					√	5
Polo Park Middle																																		√			2
Roosevelt Middle	√																				√																2
Tradewinds Middle									√						√																				√		3
Watson B. Duncan Middle									√												√				√									√	√		6
Wellington Landings Middle									√	√											√		√				√						√	√			8
Western Pines Middle														√	√																			√			3
Woodlands Middle																																					0
Total (33 Schools)	2	1	0	0	0	0	0	0	0	11	6	3	3	0	12	11	0	0	2	0	9	2	7	0	2	1	4	0	0	0	21	0	2	5	6	110	

**Bak Middle School of the Arts
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1725 Echo Lake Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Sally Rozanski
During Audit: Sally Rozanski

Treasurer:
Fiscal Year 2016: Donna Bradshaw
During Audit: Donna Bradshaw

Cash and Investments

Checking	\$ 414,250.54
Investments	
	\$ 414,250.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,444.31	\$ 5,394.60	\$ 1,469.18	\$ 2,061.57	\$ 2,061.57	\$ 5,369.73
Music	99,231.51	452,256.58	437,672.72	110,227.85	110,227.85	113,815.37
Classes	5,663.97	15,091.25	14,678.39	1,994.45	1,994.45	6,076.83
Clubs	20,946.72	62,107.07	68,994.81	13,036.25	12,347.23	14,748.00
Departments	150,448.11	397,550.43	382,916.84	104,175.48	108,107.15	161,150.03
Trusts	61,463.53	209,644.86	176,410.12	9,075.44	8,127.46	95,646.25
General	23,427.06	26,249.95	34,527.35	30,448.32	28,153.65	17,444.33
	\$ 362,625.21	\$1,168,294.74	\$1,116,669.41	\$ 271,019.36	\$ 271,019.36	\$ 414,250.54

Bak Middle School of the Arts
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Bear Lakes Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3505 Shenandoah Boulevard
West Palm Beach, FL 33409

Principal:
Fiscal Year 2016: Kirk Howell
During Audit: Kirk Howell

Treasurer:
Fiscal Year 2016: Martha Riviera Guzman
During Audit: Yolanda Federick

Cash and Investments

Checking	\$ 44,674.25
Investments	
	\$ 44,674.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 32.80	\$ 10,374.27	\$ 9,404.00	\$ 524.69	\$ 916.54	\$ 611.22
Music	2,440.44	20,991.98	22,913.47	988.19	963.19	543.95
Classes	827.76	0.00	0.00	0.00	0.00	827.76
Clubs	565.77	1,444.00	1,246.23	359.00	359.00	763.54
Departments	8,431.46	17,642.29	19,574.42	5,955.59	5,475.46	6,979.46
Trusts	30,184.45	70,407.67	65,927.92	43.62	330.24	34,377.58
General	1,597.80	760.55	1,960.95	523.05	349.71	570.74
	\$ 44,080.48	\$ 121,620.76	\$ 121,026.99	\$ 8,394.14	\$ 8,394.14	\$ 44,674.25

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- One of the pages of the *Drop-safe Log* (#12-62879) was missing. This page should contain collection records for December 10 through 13, 2015.
- *Section 3* for four pages (pages #12-62880, #12-66965, #12-66967 and #12-62840) were not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.
- Monies collected were not always deposited in a timely manner. For example, a total of \$237 collected through five MCRs (# 588-3, #588-2, #630-3, #643-2 and # 654-3) were retained by the sponsor for one to four working days before it was put into the drop-safe for deposit.
- During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer. However, those mails addressed to the treasurer were opened by her for processing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years."
- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after

the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to depositing the payments into the drop-safe.

Management's Response

All incoming mail is received and managed by front office.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsor for the PE Uniforms fundraiser (Account #5-1900.01) did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- We noted the following for the Reading Snack Sales (Account #5-200.01) fundraiser:
 - The *Sales Item Inventory Report* was not reviewed and approved by the Principal. Moreover, the *Fundraising Application/Recap Forms* for this fundraiser was not approved by the Principal until eight working days after the fundraising activities had begun.
 - The Reading Snack Sales (Account #5-2000.01) had a total sales revenue of \$1,691.47, which was deposited into the Internal Funds during the period September 22, 2015, through June 14, 2016. However, based on the *Sales Item Inventory Report* for School Year 2016, this fundraiser should have a total estimated revenue of \$1,934. As a result, \$242.43 in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽¹⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾	Units Sold		
Hot Sausages	0	160	0	0	160	\$1	\$160
Twix	0	140	0	0	140	\$1	\$140
Snickers	0	181	0	0	181	\$1	\$181
Cotton Candy	0	100	0	0	100	\$2	\$200

Bear Lakes Middle School
Management Letter
Year Ended June 30, 2016

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽¹⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽¹⁾			
Airheads	0	300	0	0	300	\$0.25	\$75
Sour Patch	0	180	0	0	180	\$1	\$180
Sour Straws	0	180	0	0	180	\$1	\$180
Blow Pops	0	272	0	0	272	\$0.25	\$272
Hot Fries	0	200	0	0	200	\$1	\$200
Honey Buns	0	210	0	0	210	\$1	\$210
Donuts	0	180	0	0	180	\$1	\$180

Total Estimated Revenues \$1,934.00
Total \$ Deposited into Internal Funds \$1,691.47
***Estimated Revenues Unaccounted For* \$242.43**

- (1) Based on *FY16 Sales Item Inventory Report*.
(2) Based on purchasing records during September 22, 2015, through June 14, 2016.

- Based on the *Sales Item Inventory Report* for the PE Uniform Sales (Account #5-1900.01), this fundraiser should have generated a total estimated revenue of \$7,715. However, only \$7,255 in sales revenues was deposited into the Internal Funds during the year. As a result, \$460 in estimated revenue was unaccounted for.

Item	Quantity				Units Sold	Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽³⁾	Inventory On Hand ⁽¹⁾			
Shorts	94	375	3	89	380	\$10	\$3800
Shirts	80	450	3	148	382	\$10	\$3820
Old Shorts	36	0	0	19	19	\$5	\$95

Total Estimated Revenues \$7,715
Total \$ Deposited into Internal Funds \$7,255
***Estimated Revenues Unaccounted For* \$460**

- (1) Based on *FY16 Sales Item Inventory Report*.
(2) Based on purchasing records during September 9, 2015, through May 23, 2016.
(3) Based on the email from the Bookkeeper.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #10950 (for \$300.00) was payment to a consultant for Disc-Jockey services on December 16, 2015. However, the related *School District Consultant Agreement (PBSD 1420)* was signed by the sponsor instead of the Principal.
- One P-Card transactions occurred on February 10, 2016, totaling \$328.60, did not have adequate supporting documentation. The purchase was supported by a pre-checkout shopping cart list instead of a final receipt/ invoice.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management’s Response

Concur.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school treasurer was the document custodian for *School Checks*. However, the treasurer was also responsible for preparing the checks.

Recommendation

To ensure proper fiscal accountabilities and as required by ***Chapter 27 of the Internal Accounts Manual***, “*The document custodian for each form may be someone different, but it should be someone who is not involved in the day-to-day use of the form.*”

Management’s Response

The custodian for the checks was the confidential secretary not the bookkeeper.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- Nine *Lease Agreements* (#s 1002, 1008, 1009, 1010, 1029, 1030, 1041, 1045 and 1050) were neither signed by the lessees nor approved by the Principal in a timely manner. Delays ranged from one to 40 days after the leasehold periods began.

Bear Lakes Middle School
Management Letter
Year Ended June 30, 2016

- *Lease Agreements* #1029 was not signed by the lessee and a witness.
- The school did not always have the required leasing documentation for the use of facilities by lessees. For example, the school collected a total of \$378 on Deposits #599-7 from the lessee for Lease #1018. However, the *Lease Agreement* was not finalized (still in draft form); thus, there was no executed *Lease Agreements* or proof of liability insurance coverage.
- *Lease Agreement* #1002 did not have proof of liability insurance coverage.
- Leasing charges for five leases (#1002, #1029, #1030, #1049 and #1050) were not collected in a timely manner. Delays ranged from 8 to 28 days after the leasehold periods began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- *Lease Agreement* should be executed with all the required signatures, prior to the lessee's use of facilities. The school should also maintain a hard copy of the *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- As required by ***School Board Policy 7.18***, the lessee must "*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*" This will ensure the School Board is protected from unwarranted liabilities.
- ***School Board Policy 7.18***, requires that leasing charges "*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. We will inform our lessors of due dates.

**Boca Raton Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1251 N.W. 8th Street
Boca Raton, FL 33486

Principal:
Fiscal Year 2016: Peter Slack
During Audit: Peter Slack

Treasurer:
Fiscal Year 2016: Jeannine Balbier
During Audit: Jeannine Balbier

Cash and Investments

Checking	\$ 173,466.43
Investments	
	\$ 173,466.43

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 15,186.13	\$ 22,170.54	\$ 23,894.75	\$ 8,705.70	\$ 11,705.70	\$ 10,461.92
Music	4,960.71	59,593.67	63,162.28	19,475.41	16,301.69	4,565.82
Classes	1,597.00	26,242.50	27,748.00	1,419.50	1,169.50	341.50
Clubs	9,991.18	32,599.62	35,518.30	7,122.65	7,127.99	7,067.16
Departments	72,470.98	102,122.90	68,896.58	60,893.92	71,191.44	95,399.78
Trusts	58,460.57	216,959.81	228,727.24	2,279.62	15,029.66	33,943.10
General	28,915.95	29,609.24	59,467.22	39,785.65	17,156.47	21,687.15
	\$ 191,582.52	\$ 489,298.28	\$ 507,414.37	\$ 139,682.45	\$ 139,682.45	\$ 173,466.43

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that the Band Chocolate Bars Sales (Account #2-1000.07) did not have the required *Sales Item Inventory Report*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all required information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.

Management's Response

Concur. We will ensure all Sales Item Inventory Reports are accurate, and all items will be tracked and accounted for including items given away to students as rewards.

Additional Comments

Two Chorus t-shirts were given away to students as a reward. Some of the Band chocolate bars became bug infested and were discarded. We will record all of this on the Sales Item Inventory Report for all future fundraisers.

**Carver Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 101 Barwick Road
Delray Beach, FL 33445

Principal:
Fiscal Year 2016: Kiwana Alexander-Prophete
During Audit: Kiwana Alexander-Prophete

Treasurer:
Fiscal Year 2016: Kaesha Adams / Tammy Cox
During Audit: Ryan Lewis

Cash and Investments

Checking	\$ 32,504.79
Investments	
	\$ 32,504.79

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,616.26	\$ 12,280.43	\$ 11,299.07	\$ 6,606.55	\$ 6,712.31	\$ 2,491.86
Music	444.95	0.00	690.23	245.28	0.00	0.00
Classes	0.00	54,935.52	50,507.82	2,798.60	4,432.42	2,793.88
Clubs	7,959.93	28,278.30	26,206.93	2,792.87	3,311.90	9,512.27
Departments	8,057.88	6,903.99	9,627.69	320.51	1,041.92	4,612.77
Trusts	13,010.62	27,773.77	28,398.70	473.40	5,644.32	7,214.77
General	7,132.24	19,078.71	28,237.37	12,206.48	4,300.82	5,879.24
	\$ 38,221.88	\$ 149,250.72	\$ 154,967.81	\$ 25,443.69	\$ 25,443.69	\$ 32,504.79

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Concession Stand Sales (Account #1-0700.01) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. All staff will be required to complete the eLearning fundraising training during pre-school to ensure compliance. All staff members who are sponsors have completed the fundraising training.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that Disbursement #12057 (for \$1,065.15) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*. Also, the invoice was not defaced after payment in order to prevent potential duplicate payments.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual*, *Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- Pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase; and (2) *Purchase Order* should be issued for purchase in excess of \$1,000
- To avoid duplicate payments, supporting documentation should be defaced (stamped "PAID") after payment.

Management's Response

Concur. A purchase order for all invoices that in the excess of \$1,000 will be used and supporting documents will be defaced and stamped after has been made.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The school did not maintain a hard copy of *Lease Agreement* #1003 with all the required signatures. Also, *Lease Agreement* #1015 was missing the lessee's signature.
- Leasing charges for *Lease Agreement* #1013 were not collected until five days after the use of facilities began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- ***School Board Policy 7.18***, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. All information pertaining to leases have been addressed. Leases will be executed according to district policy and funds will be collected prior to the use of facilities.

PRENUMBERED DOCUMENTS

Finding

The school did not maintain the following records: (1) *Document Custodian Assignment Register (PBSD 1663)*, and (2) *Pre-Numbered Document Inventory Register (PBSD 0160)* for *Drop-Safe Logs* and *School Checks*.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- Designated staff should be assigned as document custodian for each pre-numbered form; and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*. The custodian should be someone who is not involved in the day-to-day use of the form. The inventory of the forms, including the *Drop-safe Log*, should be maintained by the designated custodians
- To ensure all pre-numbered documents are properly accounted for, the document custodian for the *Drop-safe Logs* and *School Checks* should use the *Pre-Numbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory-check of these documents.

Management's Response

Concur. A staff member has been designated as the document custodian. This person has been trained in the day to day requirements.

Christa McAuliffe Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6500 Le Chalet Boulevard
 Boynton Beach, FL 33437

Principal:
 Fiscal Year 2016: Jeff Silverman
 During Audit: Jeff Silverman

Treasurer:
 Fiscal Year 2016: Diane Davant
 During Audit: Diane Davant

Cash and Investments

Checking	\$ 116,651.07
Investments	
	\$ 116,651.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,387.91	\$ 23,099.42	\$ 23,856.51	\$ 9,351.90	\$ 9,351.90	\$ 7,630.82
Music	5,319.57	34,955.34	37,173.37	14,647.11	14,647.11	3,101.54
Classes	2,118.38	40,744.24	40,891.45	1,281.46	1,170.44	2,082.19
Clubs	4,671.19	9,957.32	9,449.17	3,225.20	3,338.10	5,066.44
Departments	60,628.98	65,380.57	67,053.58	25,418.87	22,238.83	62,136.01
Trusts	38,311.22	144,619.83	149,339.31	8,925.92	9,807.55	32,710.11
General	4,356.28	15,755.95	13,891.74	6,036.88	8,333.41	3,923.96
	\$ 123,793.53	\$ 334,512.67	\$ 341,655.13	\$ 68,887.34	\$ 68,887.34	\$ 116,651.07

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- *Section 1* of the *Drop-safe Log* was not always completed by the sponsors with all the required information. Missing information included the dates of collections and the dates when the collections were put into the drop-safe.
- Three collections were marked “returned to sponsor” were not ready for deposit, and were returned to sponsors for clarification. However, there were no records to document that the monies were returned to and received by the sponsors.
- The school’s *End-of-the-Year Checklist* mistakenly instructed staff to submit all the yellow copies of MCRs to the school treasurer, instead of the school secretary as required by District’s procedures.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.
- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*, at the year-end, “*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*”

Management's Response

Concur. Staff has been informed that all information on the drop safe log is required to be filled in, including all dates. Items were returned due to a needed correction. In all cases, those funds were included in the following safe drop log. Although we will make sure that the sponsor initials any returned deposits, the fact that they were deposited a second time indicates that the sponsor did indeed receive them back. For the end-of-year checklist, this has already been corrected for this school year and our checkout sheet indicates that copies of the MCR will be turned in to the head secretary.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreements* were not always executed with all the required signatures prior to the commencement of leasing activities.
 - Nine leases (#s 1002, 1005, 1006, 1007, 1011, 1013, 1017, 1022, and 1023) did not have the witness signatures.
 - Three leases (#s 1018, 1020, and 1024) were neither signed by the lessee nor a witness and were not approved by the Principal through the Tririga System.
- *Lease Agreement* #1020 was not recorded in Tririga. According to the leasing staff, the lessee liability insurance was expired at time of submission and once the new insurance was provided, it never progressed within the approval queue. As a result, the Tririga System understated the school's leasing income by \$169.60.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, *Lease Agreement* should be executed with all the required signatures and dates, prior to the use of facilities. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

Christa McAuliffe Middle School.
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Numerous and various signatures were missing from several leases. Our Assistant Principal for Leasing will insure that all signatures are on all leases. We will maintain a hard copy of each lease as well. All leases will be routed via Tririga and will be processed prior to the start of the lease.

**Congress Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 101 South Congress Avenue
Boynton Beach, FL 33426

Principal:
Fiscal Year 2016: Denise O'Connor
During Audit: Denise O'Connor

Treasurer:
Fiscal Year 2016: Yvonne Small
During Audit: Yvonne Small

Cash and Investments

Checking	\$ 32,815.94
Investments	
	\$ 32,815.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,351.49	\$ 8,431.65	\$ 7,935.21	\$ 2,716.22	\$ 2,716.22	\$ 2,847.93
Music	536.73	3,222.00	2,006.54	380.00	380.00	1,752.19
Classes	5,605.15	44,865.20	46,554.95	3,105.87	3,094.87	3,926.40
Clubs	3,341.79	6,283.48	5,921.49	1,475.30	1,487.93	3,691.15
Departments	1,722.34	6,305.94	6,395.41	648.11	659.11	1,621.87
Trusts	13,331.97	31,542.88	29,785.71	52.13	2,177.38	12,963.89
General	4,850.76	6,119.09	7,095.22	2,919.99	782.11	6,012.51
	\$ 31,740.23	\$ 106,770.24	\$ 105,694.53	\$ 11,297.62	\$ 11,297.62	\$ 32,815.94

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the school treasurer was performing incompatible duties. Specifically,

- The data processor was the assigned Document Custodian for the *School Checks* and *Drop-safe Log*. However, the school treasurer performed the monthly inventory of the both documents and completed the *Prenumbered Document Inventory Register (PBSD 0160)* for the Data Processor to sign as the preparer. Moreover, the school treasurer maintained the blank stock (unused) of both documents in her office.
- We also noted that incoming mail were sorted and opened by someone other than the school treasurer. The school recorded received checks in a “Check Log” which was reviewed by the principal. However, the staff opening the mail did not record payments on a *Monies Collected Report (MCR)*. Instead, the mail containing checks were dropped in bookkeeper’s mail box for processing by her after being opened and not placed in the drop-safe.

Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced at the school. Specifically,

- As required by ***Chapter 27 of the Internal Accounts Manual***, the *Document Custodian Assignment Register* must be completed each year to assign responsibility for prenumbered forms on the school campus. The custodian should be someone who is not involved in the day-to-day use of the form. Each assigned document custodian shall use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory of the prenumbered forms.
- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report (MCR)* by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management’s Response

Concur. The Principal met with the Document Custodian and reviewed roles and responsibilities. The principal will complete the MCR once received by the front desk clerk after she logs the mail.

**Conniston Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3630 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2016: Oscar Otero
During Audit: Oscar Otero

Treasurer:
Fiscal Year 2016: Adriana Valladares
During Audit: Adriana Valladares

Cash and Investments

Checking	\$ 55,713.48
Investments	
	\$ 55,713.48

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,777.06	\$ 8,496.51	\$ 11,661.41	\$ 4,424.28	\$ 4,149.28	\$ 2,887.16
Music	3,361.82	15,018.10	13,733.81	2,026.02	2,026.02	4,646.11
Classes	0.00	11,179.00	9,981.36	1,797.64	2,995.28	0.00
Clubs	4,208.14	20,554.55	13,208.20	10,730.33	15,469.04	6,815.78
Departments	5,278.46	26,625.72	18,795.31	13,470.79	13,042.08	13,537.58
Trusts	16,476.09	21,204.46	19,444.23	3,102.75	3,057.75	18,281.32
General	16,609.32	21,944.24	34,195.67	9,258.17	4,070.53	9,545.53
	\$ 51,710.89	\$ 125,022.58	\$ 121,019.99	\$ 44,809.98	\$ 44,809.98	\$ 55,713.48

DEPOSIT OF MONIES

Finding

The review of money collection process and sample of *Monies Collected Reports* (MCRs) at the school found that:

- *Section 1* of the *Drop-safe Log* was not always completed with all the required information. Missing information included the dates of collections and the dates when the collections were put into the drop-safe.
- *Section 3* of the *Drop-safe Log* was not completed with the *Official Receipt* number generated by the school's Internal Funds Accounting System. Instead, the Deposit/Form number was recorded on the *Log*.
- Monies collected were not always deposited in a timely manner. For example, \$1,949.37 collected through 15 MCRs # (506-7, 483-5, 486-15, 487-6, 489-13, 496-4, 497-3, 499-17, 460-4, 460-7, 443-10, 443-19, 477-2, 470-1, and 500-1) were retained by the sponsor for one to four working day before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system by entering the *Official Receipt* number on the *Log*.
- As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the risk exposure to sponsors and result in potential irregularities.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that Disbursement #11185 (for \$4,894.50) was for purchase of the yearbooks. However, the disbursement was supported by a contract that was signed by the sponsor in lieu of the Principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, all contracts should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management's Response

Concur.

**Crestwood Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 64 Sparrow Drive
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Stephanie Nance
During Audit: Stephanie Nance

Treasurer:
Fiscal Year 2016: Carrie Richardson
During Audit: Carrie Richardson

Cash and Investments

Checking	\$ 59,079.97
Investments	
	\$ 59,079.97

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,746.27	\$ 15,415.44	\$ 20,689.38	\$ 16,152.65	\$ 12,566.34	\$ 4,058.64
Music	3,050.99	17,439.86	14,963.88	4,212.51	3,452.84	6,286.64
Classes	835.84	3,056.80	2,485.82	1,919.64	1,710.14	1,616.32
Clubs	1,578.90	14,807.16	12,069.85	6,436.52	5,353.67	5,399.06
Departments	38,688.72	54,262.77	59,223.86	31,590.57	27,146.07	38,172.13
Trusts	2,700.81	52,342.55	54,291.48	7,138.35	4,353.05	3,537.18
General	1,932.47	32,668.15	21,722.49	8,303.49	21,171.62	10.00
	\$ 54,534.00	\$ 189,992.73	\$ 185,446.76	\$ 75,753.73	\$ 75,753.73	\$ 59,079.97

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- One page (#14-00339) of the *Drop-safe Logs* for Fiscal Year 2016 was missing. The missing page was left on the safe for use during the summer. The treasurer reported the page missing to the principal upon her return to work after the summer.
- *Section 1* of the *Drop-safe Log* was not always completed with all the required information. Missing information included the dates of collections and the dates when the collections were put into the drop-safe.
- *Section 3* on two pages of the *Drop-safe Log* (page #s14-00345 and 14-00416) were not signed by an independent staff verifier who should verify that the collections were recorded in the General Ledger by the treasurer.
- The Drop Safe Logs had several collections marked “return to sponsor,” or “given to sponsor”. According to staff, those entries were either collections with errors or collections not ready for deposit and were returned to the respective sponsors for clarification. However, there were no records to document that the monies were returned to and received by the sponsors.
- Monies collected were not always deposited in a timely manner. For example, \$4,226.00 collected through 33 MCRs (#s 569-14, 528-18, 528-22, 530-7, 529-2, 539-4, 533-3, 548-2, 548-3, 550-11, 550-16, 550-4, 550-12, 582-2, 574-9, 588-6, 586-2, 591-7, 591-8, 593-14, 596-7, 599-10, 599-6, 599-1, 604-7, 605-12, 605-6, 559-6, 578-3, 578-12, 524-13, 524-14 and 554-6) was retained by the sponsor for one to twelve working day before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”

Crestwood Middle School
Management Letter
Year Ended June 30, 2016

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- As required by **DOE Rules** and District **Bulletin #P-14051-S/CFO**, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

Management's Response

Concur. The Principal and School Treasurer have reviewed money collection procedures with appropriate staff. Activity sponsors and appropriate staff have also participated in refresher training regarding completion of money collection documents and drop safe log procedures to ensure fiscal responsibility and accountability.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsor for the CMS Backpack Fundraiser did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Fundraising Application/Recap Forms* for the Student Council Candy and Candle Sale (Account #4-810.00) were not approved by the Principal until 13 working days after the fundraising activities had begun.
- The CMS Back Pack Fundraiser (Account #3-2450.17) and the Science Catalog Sales (Account #5-2100.12) did not have the required *Sales Item Inventory Reports*.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal, verified by the Bookkeeper and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. The Principal and School Treasurer have met with all fundraising sponsors regarding required eLearning fundraising training and implementation. A certificate of completion of the eLearning course must be submitted prior to the approval of any fundraiser. Sponsors have received refresher training on all fundraising guidelines.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Disbursement 12091 (for \$2,000) was supported by a \$1,600 invoice for students attending a Miami Heat game on March 25, 2016. The other \$400 in expenses did not have any supporting documentation.
- Disbursement #12185 (for \$475) was for payment to a consultant who provided disc jockey services for an 8th Grade Dance on May 13, 2016. However, this expenditure was supported by last year's (FY 2015) invoice from the same vendor dated May 23, 2015.

Crestwood Middle School
Management Letter
Year Ended June 30, 2016

- Disbursement #12192 (for \$4,947.30) was payment for admission fees and busing for an out-of-county field trip to Universal Orlando by the 8th Grade Science Students. However, the related *Field Trip Requests* and *TDE Forms* were not approved by the Area Superintendent.
- One P-card holder did not attached the required signed monthly bank statement. According to the bookkeeper, the holder had fraudulent activity on the card, the card was immediately cancelled and no statement records could be obtained from the financial institution.
- Three P-card transactions (totaling \$415.76) which occurred on March 27, 2016, were supported by a price quote from the vendor, instead of an itemized invoice or receipt.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- Payments to consultants should be adequately supported by invoices or statements indicating the dates and times of the services.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, and (2) out-of-county field trips should be approved by the Principal and Regional/Instructional Superintendent.

Management's Response

Concur. The Principal and School Treasurer have met with all assigned P-card holders to review purchasing card guidelines and field trip policies and procedures.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not perform the required monthly inventory for the *Drop-safe Log*. During the year, *Drop-safe Logs* were issued to

the staff as needed on July 15, September 1, December 14, 2015 and April 18, 2016. Additionally, the inventory check was performed once, at the end of the school year.

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*, as required by *Chapter 27 of the Internal Accounts Manual*, the inventory of the *Drop-safe Log* should be checked monthly by the designated document custodian and the results recorded on the *Prenumbered Document Inventory Register (PBSD 0160)*.

Management's Response

Concur. The Principal and the School Treasurer will actively monitor the drop-safe logs to ensure that prenumbered documents are accurately accounted for and implemented accordingly.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that \$127.50 of the leasing charge for Lease #1009 was incorrectly allocated to the Utility and Custodial accounts. As a result, the school over-transmitted \$127.50 in utility fees to the Central Office and under-allocated the Custodial fee in the same amount.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, leasing revenues should be allocated in accordance with the District's approved *Rate Schedule*. The District's portions of leasing fees should be transmitted to the Central Office accordingly.

Management's Response

Concur. The Principal and School Treasurer have met with all current lessees to discuss leasing guidelines. The Principal and School Treasurer will actively monitor leasing fees to ensure funds are transmitted accurately and accordingly.

Don Estridge High Tech Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1798 N.W. Spanish River Boulevard
 Boca Raton, FL 33431

Principal:
 Fiscal Year 2016: Laura Riopelle
 During Audit: Laura Riopelle

Treasurer:
 Fiscal Year 2016: Pamela Utrecht / Laura Palo
 During Audit: Laura Palo

Cash and Investments

Checking	\$ 120,583.49
Investments	
	\$ 120,583.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 12,702.69	\$ 18,409.88	\$ 25,259.11	\$ 6,508.86	\$ 7,531.86	\$ 4,830.46
Music	5,223.84	85,452.40	79,600.53	21,372.60	21,305.86	11,142.45
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	4,993.80	2,448.10	2,123.38	0.00	0.00	5,318.52
Departments	24,629.71	41,525.36	47,523.75	10,329.53	15,613.02	13,347.83
Trusts	57,650.15	119,226.55	116,714.30	42,233.27	38,723.58	63,672.09
General	8,264.63	47,582.29	36,304.84	24,725.36	21,995.30	22,272.14
	\$ 113,464.82	\$ 314,644.58	\$ 307,525.91	\$ 105,169.62	\$ 105,169.62	\$ 120,583.49

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- Two pages (#00821 and #00846) of *Drop-Safe Logs* were missing. The missing pages should contain the collection records for December 15, 2015 and February 4, 2016.
- *Section 1* of the *Drop-safe Log* was not always completed with all the required information. Missing information included the dates of collections and the dates when the collections were put into the drop-safe.
- *Section 3* on 13 pages of the *Drop-safe Log* (#s14-00901, 14-00911, 14-00894, 14-00739, 14-00738, 14-00765, 14-00764, 14-00794, 14-00836, 14-00861, 14-00860, 14-00874 and 14-00873, 37 out of 63 collection entries) were not signed by the independent staff verifier who ascertained that the collections were recorded in the general ledger by the treasurer.
- The *Drop Safe Logs* had numerous collections marked as “Returned to sponsor”, “No Monies Collected Form,” and “Not Counted”. According to staff, those entries were either collections with errors or collections not ready for deposit and were returned to their respective sponsors for clarification. However, there were no records to document that the monies were returned or received by the sponsors.
- The source of funds for four cash collections, totaling \$1,096.00, were not indicated on the related MCRs (#794-6 through #794-9).

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and as required by *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, “*Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years.*”
- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of

Don Estridge High Tech Middle School
Management Letter
Year Ended June 30, 2016

the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

- Written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter's signature, payer's name, dollar amount, and check number when appropriate.

Management's Response

Concur. (-)New treasurer was not able to locate the copies or original missing pages. A system is now in place to maintain all pages. The new document custodian keeps the originals of the drop safe log pages in a separate binder. (-)The new treasurer is now following all procedures. All required information will be included. (-)The new document custodian will verify all collections. (-) From this point forward, the sponsor will initial the forms when they are returned. The new MCR forms will be logged on a new drop safe entry sheet. (-) From this point forward, all account numbers will be written on the MCR form by the sponsor.

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the school treasurer was performing incompatible duties. Specifically, incoming mail was sorted and distributed by someone other than the school treasurer. However, incoming mail including payments received and those addressed to the treasurer were opened by her for processing.

Recommendation

Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to depositing the payments into the drop-safe.

Management's Response

Concur. Treasurer previously sorted mail only when other staff was absent. She did not process the payments. In the future, she will not sort or process the mail.

SAFEGUARDING OF SCHOOL ASSETS

Finding

During the audit, we noted that the school's blanks checks were stored in an unlocked cabinet inside the bookkeeper's office. However, the door to the bookkeeper's office was unlocked during office hours even in her absence.

Recommendation

To ensure school assets are safeguarded properly, blank school checks should be stored in a secure location such as a locked cabinet or the drop-safe.

Management's Response

Concur. Our treasurer has now moved the blank checks into the safe. Her door is locked whenever she leaves her office.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that the *Sales Item Inventory Report* for the Softball Visors and Softball Shirts Sales (Account #1-5110.00) was not approved by the Principal.

Recommendation

Fundraiser sponsor should properly complete the *Sales Item Inventory Report* with accurate information for the fundraising activity and be approved by the Principal.

Management's Response

Concur. All sponsors will complete the appropriate paperwork that will be approved by the principal.

**Eagles Landing Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 19500 Coral Ridge Drive
Boca Raton, FL 33498

Principal:
Fiscal Year 2016: Cynthia Chiapetta
During Audit: Joseph Peccia

Treasurer:
Fiscal Year 2016: Jennifer Siedenstucker
During Audit: Jennifer Siedenstucker

Cash and Investments

Checking	\$ 46,261.85
Investments	
	\$ 46,261.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,460.20	\$ 17,849.67	\$ 15,167.93	\$ 9,747.79	\$ 9,759.49	\$ 6,130.24
Music	4,584.51	101,748.26	94,647.30	17,805.22	17,860.85	11,629.84
Classes	0.00	51,206.33	49,837.96	4,060.45	5,428.82	0.00
Clubs	588.34	2,360.00	2,005.13	110.00	323.73	729.48
Departments	3,975.78	49,527.28	42,133.73	15,503.40	22,510.37	4,362.36
Trusts	6,079.59	27,643.45	26,721.08	183.16	9.89	7,175.23
General	9,623.84	13,626.69	15,498.96	11,173.22	2,690.09	16,234.70
	\$ 28,312.26	\$ 263,961.68	\$ 246,012.09	\$ 58,583.24	\$ 58,583.24	\$ 46,261.85

Eagles Landing Middle School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Emerald Cove Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 19500 Coral Ridge Drive
Boca Raton, FL 33498

Principal:
Fiscal Year 2016: Cynthia Chiapetta
During Audit: Joseph Peccia

Treasurer:
Fiscal Year 2016: Jennifer Siedenstucker
During Audit: Jennifer Siedenstucker

Cash and Investments

Checking	\$ 46,261.85
Investments	
	\$ 46,261.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,460.20	\$ 17,849.67	\$ 15,167.93	\$ 9,747.79	\$ 9,759.49	\$ 6,130.24
Music	4,584.51	101,748.26	94,647.30	17,805.22	17,860.85	11,629.84
Classes	0.00	51,206.33	49,837.96	4,060.45	5,428.82	0.00
Clubs	588.34	2,360.00	2,005.13	110.00	323.73	729.48
Departments	3,975.78	49,527.28	42,133.73	15,503.40	22,510.37	4,362.36
Trusts	6,079.59	27,643.45	26,721.08	183.16	9.89	7,175.23
General	9,623.84	13,626.69	15,498.96	11,173.22	2,690.09	16,234.70
	\$ 28,312.26	\$ 263,961.68	\$ 246,012.09	\$ 58,583.24	\$ 58,583.24	\$ 46,261.85

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that:

- Monies collected were not always deposited in a timely manner. For example, \$889.31 collected through six MCRs # (581-900, 581-901, 581-902, 581-907, 576-870 and 576-875) were retained by the sponsor for one to three working day before they were put into the drop-safe for deposit.
- Two collections recorded on the *Drop-safe Logs* (#11-50245 and #11-50305) were marked “To be counted next day” and “To be counted left in safe” in *Sections 2 and 3* of the *Logs*. However, the returns were not signed by the sponsors to acknowledge the receipt of the monies.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were returned to the treasurer for deposit later after the clarification was made by the sponsor.

Management’s Response

Concur. Safe log procedures to fully outline requirements for money that is collected and dropped to be counted next day.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors of the following two fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Domino's Slice the Card	4-4810.01	1/12/2016	Did not complete
PE Uniforms	5-1900.01	8/6/2015	3/29/2016

- The *Sales Item Inventory Report* for the 8th Grade T-shirts Sales (Account # 3-3800.03) was not approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Will ensure sponsors take training prior to fundraisers. Reminders will be given.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

Emerald Cove Middle School
Management Letter
Year Ended June 30, 2016

- Disbursement #11833 (for \$1,854.31) and the Disbursement #11887 (for \$2,305.70) were for the Band/Uniform Dresses and Band/Polo Shirts, respectively. Neither activity maintained the required *Sales Item Inventory Report* to record inventory and proceeds.
- Disbursement #12538 (for \$1,815.00) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*. Moreover, the *Check Requisition* was not approved by the principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the school's best interest and ensure proper fiscal accountability, *Sales Item Inventory Report* should be accurately completed with all needed information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remaining in inventory.
- A *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. The activities above were not fundraisers. Sponsors wrote students' names on the MCR's when the funds were collected/deposited. Sales were accounted for. We understand the best practice and will follow it in the futures.

Howell L. Watkins Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 9480 MacArthur Boulevard
Palm Beach Gardens, FL 33403

Principal:
Fiscal Year 2016: Don Hoffman
During Audit: Don Hoffman

Treasurer:
Fiscal Year 2016: Luz-Mery Ocampo
During Audit: Luz-Mery Ocampo

Cash and Investments

Checking	\$ 33,946.44
Investments	
	\$ 33,946.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,230.04	\$ 7,095.03	\$ 8,432.09	\$ 9,821.62	\$ 9,833.62	\$ 880.98
Music	1,549.29	16,099.53	16,313.66	9,120.33	8,193.69	2,261.80
Classes	2,386.25	27,005.75	25,353.29	3,754.69	3,754.69	4,038.71
Clubs	3,943.21	28,099.20	31,227.63	9,561.74	8,731.31	1,645.21
Departments	11,745.30	63,278.99	64,360.46	12,431.78	12,017.29	11,078.32
Trusts	7,376.61	35,235.46	30,553.65	581.03	720.98	11,918.47
General	3,393.89	27,428.37	26,679.70	15,688.92	17,708.53	2,122.95
	\$ 32,624.59	\$ 204,242.33	\$ 202,920.48	\$ 60,960.11	\$ 60,960.11	\$ 33,946.44

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) found that:

- Monies collected were not always deposited in a timely manner. For example, a total of 1,286 collected through nine MCRs (#571-24, #570-8, #569-9, #564-1, #537-8, #534-11, #519-22, #519-23 and # 522-2) were retained by the sponsors for one to four working days before they were put into the drop-safe for deposit.
- A total of three collections recorded on 3 pages of the *Drop-safe Logs* (#12-16337, #14-24016 and #12-16323) were returned to the sponsors for clarification. However, the returns were not signed by the sponsors to acknowledge the receipt of the monies.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*; and the treasurer should ensure that the monies were later returned to the treasurer for deposit after the clarification was made by the sponsor.

Management's Response

Concur. Review procedures with sponsors and bookkeeper on monies collected and return procedures.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Basketball T-shirt Sales (Account #1-0010.04) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Ensure all employees completing fundraising are compliant with the eLearning Training course.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that Disbursement #11344 (for \$71.91) was for purchase of breakfast items for staff members. However, it was incorrectly funded by the General Activities Account (#7-0100.00), instead of the Administrative Courtesy Account (#6-0200.00) or Rental Income Account (#6-3800.00).

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically, all expenditures should be funded by the appropriate funding sources in accordance with District's guidelines.

Management's Response

Concur. Receipt was properly identified as Ad. Courtesy and was entered incorrectly. Will ensure proper accounts are used on monthly review.

SAFE SCHOOL PROGRAM

Finding

A total of \$200 in Safe School Registration fees were deposited into the Internal Funds during the year. However, the required documentation such as *Record of Payments Forms*, *Program Description*, *Fee Schedules*, and *Letters of Eligibility* were not maintained.

Recommendation

To ensure proper fiscal accountability, all records should be retained for a time period consistent with District's *Record Retention Schedule*.

Management's Response

Concur. Ensure aftercare director follows the procedure on completing and maintaining financial records.

**Independence Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4001 Greenway Drive
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Kathryn Koerner
During Audit: Kathryn Koerner

Treasurer:
Fiscal Year 2016: Marlene Taylor
During Audit: Dori Ciaramilla

Cash and Investments

Checking	\$ 132,175.92
Investments	
	\$ 132,175.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,522.44	\$ 9,371.00	\$ 9,677.37	\$ 3,924.49	\$ 3,448.61	\$ 8,691.95
Music	19,856.66	171,156.51	178,736.20	83,354.65	83,354.65	12,276.97
Classes	4,492.23	52,500.52	52,601.49	4,493.17	4,684.37	4,200.06
Clubs	4,369.72	2,711.05	2,374.79	702.79	702.79	4,705.98
Departments	58,098.88	178,059.02	176,937.76	32,507.38	35,054.55	56,672.97
Trusts	34,430.61	75,499.14	70,702.45	4,303.10	4,000.00	39,530.40
General	4,770.34	32,213.16	32,845.30	12,414.29	10,454.90	6,097.59
	\$ 134,540.88	\$ 521,510.40	\$ 523,875.36	\$ 141,699.87	\$ 141,699.87	\$ 132,175.92

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that *Section 2* of the *Drop-safe Log* was signed only by the school treasurer. There is no evidence that an independent verifier was present when the safe was opened to verify the deposit information.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. We always have two staff members verify that a deposit has been made by each staff member on the log.

**Jeaga Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 3777 North Jog Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Kevin Gatlin
During Audit: Kevin Gatlin

Treasurer:
Fiscal Year 2016: Shelita Andrews
During Audit: Shelita Andrews

Cash and Investments

Checking	\$ 33,714.62
Investments	
	\$ 33,714.62

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,428.46	\$ 18,694.07	\$ 21,333.24	\$ 12,984.26	\$ 11,647.49	\$ 126.06
Music	1,147.64	5,672.00	4,963.65	1,395.00	1,445.00	1,805.99
Classes	1,361.46	24,169.50	22,381.69	4,103.27	4,203.27	3,049.27
Clubs	839.94	16,044.80	14,306.95	2,349.47	3,249.47	1,677.79
Departments	11,852.35	15,518.52	16,338.32	6,543.66	8,412.76	9,163.45
Trusts	18,425.46	11,328.55	13,000.92	5,808.96	6,208.96	16,353.09
General	1,352.85	1,274.77	3,070.98	4,084.00	2,101.67	1,538.97
	\$ 36,408.16	\$ 92,702.21	\$ 95,395.75	\$ 37,268.62	\$ 37,268.62	\$ 33,714.62

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) found that *Section 3* on three pages of the *Drop-safe Log* (#14-19868, #14-19877, and #14-19881) was not signed by the independent staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.

Recommendation

To ensure proper fiscal accountability and compliance with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Principal will meet with the treasurer and secretary to discuss procedures to move forward.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser documentation revealed that:

- For the PTO Back Pack Sales and PTO Spirit Wear Sales:
 - These fundraisers did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. Without documentation for sales information such as selling prices, quantities sold, and inventory counts, there is no assurance that all the monies collected were properly accounted for.
 - Activities for the PTO Back Pack Sales and PTO Spirit Wear began August 19, 2015. However, the sponsor for these fundraisers did not complete the eLearning Fundraiser Training course until March 29, 2016; i.e. 224 days after fundraiser activities began.

Jeaga Middle School
Management Letter
Year Ended June 30, 2016

- The school purchased 150 yearbooks at a total cost of \$4,590.84 (or \$30.61 per book). However, the yearbook were sold below cost at \$25 per book. Total sales revenue was \$3,850 which resulted in a deficit of \$740.84 (\$4,590.84 - \$3,850). Furthermore, an additional \$600 from the General Activities Account (# 7-0100.00) was used to pay the yearbook invoice.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenue and (2) tracking items purchased, given-away, or remained in ending inventory. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- To ensure fiscal accountability and self-sufficiency, the school should include all the revenues and expenditures for the Yearbook Account. The fundraiser sponsor should monitor the cost and selling price of yearbooks so that this activity will not incur a deficit.

Management's Response

Concur. The principal will meet with PTO and select a PTO-President and PTO-Vice President to discuss procedures moving forward.

John F. Kennedy Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1901 Avenue "S"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Corey Brooks
During Audit: Corey Brooks

Treasurer:
Fiscal Year 2016: Linda Mathis
During Audit: Linda Mathis

Cash and Investments

Checking	\$ 15,000.13
Investments	
	\$ 15,000.13

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 630.03	\$ 23,713.55	\$ 20,474.21	\$ 4,684.52	\$ 5,675.26	\$ 2,878.63
Music	199.26	0.00	199.00	0.00	0.00	0.26
Classes	6,165.90	26,014.88	30,522.24	3,753.74	3,532.01	1,880.27
Clubs	652.23	1,963.00	1,653.00	0.00	234.98	727.25
Departments	945.73	9,852.00	7,356.21	108.00	2,646.17	903.35
Trusts	1,532.49	28,361.92	23,780.70	983.69	1,384.67	5,712.73
General	4,235.81	14,373.96	19,655.27	11,483.40	7,540.26	2,897.64
	\$ 14,361.45	\$ 104,279.31	\$ 103,640.63	\$ 21,013.35	\$ 21,013.35	\$ 15,000.13

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) found that monies collected were not always deposited in a timely manner. For example, a total of \$275 collected through two MCRs (#540-6 and #540-9), was retained by the sponsors for one to two working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could subject the sponsor to unwarranted liability and result in potential irregularities.

Management's Response

Concur. All sponsors and individual that collect monies will have to successfully complete the respective trainings on eLearning. They will submit the certificates of completion in order to receive permission to collect money or fundraise. All monies collected must be dropped in the safe the day of collection. If this policy is not followed, discipline will be enforced by administration.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records revealed that:

- Activities for the Gym Short Sales (Account #5-1900.03) began August 19, 2015. However, the Principal did not approve the *Fundraising Application/Recap Form* until August 25, 2016, six days the fundraiser activities had begun.
- The *Sales Item Inventory* Report for the Yearbook Sales Account (# 4-2000.01) was not completed with accurate sales information. Specifically, the sales price was listed as a price range at which the books were sold. Instead, the number of books sold at each price should be recorded.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, they should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

John F. Kennedy Middle School
Management Letter
Year Ended June 30, 2016

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with accurate information for each fundraiser. The sales revenue should be reconciled with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Uniforms were sold at JFKMS' Annual 6th Grade Orientation. The trainings for sponsors were not available at that time. All staff members were aware of the training and approval process prior to starting any fundraiser event.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that Disbursement #2005 (for \$2,240) was for an event coordinator for the 8th Grade Prom. However, the related *School District Consultant Agreement (PBSD 1420)* was not signed by the consultant.

Recommendation

To protect the safety and welfare of students, prior to a consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed, and (2) most importantly, the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.

Management's Response

Concur. Bookkeeper will review all agreements with sponsors prior to the event start date to ensure that the proper documentation with required signatures are completed.

LEASING OF SCHOOL FACILITIES

Finding

The review of sample leases for use of school facilities found that:

- *Lease Agreement #1001* did not have a hard copy of the executed lease. Moreover, a *Certificate of Insurance* or payment of insurance premium was not obtained from the lessee.
- Leasing charges for lease #1008 were not collected from the lessee until five days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically,

- *Lease Agreement* should be executed with all the required signatures, prior to the lessee's use of facilities. The school should also maintain a hard copy of the *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- To protect the School District from unwarranted liability and as required by **School Board Policy 7.18**, lessee must "*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*" This will ensure the School Board is well protected.
- **School Board Policy 7.18**, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. Bookkeeper will ensure that all leases are submitted in a timely manner and that the collection of payment/verification of insurance will occur prior to the event date. JFKMS will adhere to the recommendations listed in the Audit DRAFT.

**Jupiter Middle School
Jupiter Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 15245 North Military Trail
Jupiter, FL 33458

Principal:
Fiscal Year 2016: Colleen Iannitti
During Audit: Lisa Hastey

Treasurer:
Fiscal Year 2016: Marianela Bennett
During Audit: Marianela Bennett

Cash and Investments

Checking	\$ 178,440.36
Investments	
	\$ 178,440.36

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 11,575.29	\$ 18,035.62	\$ 14,660.51	\$ 1,062.54	\$ 1,062.54	\$ 14,950.40
Music	8,959.29	171,714.34	166,490.98	55,354.29	55,504.95	14,031.99
Classes	8,934.14	54,204.92	51,524.02	4,136.79	3,536.79	12,215.04
Clubs	14,993.39	14,375.90	11,487.30	5,343.00	5,415.97	17,809.02
Departments	53,180.93	74,412.51	72,587.64	17,521.93	18,172.62	54,355.11
Trusts	36,501.06	64,296.85	47,203.35	5,772.16	5,038.83	54,327.89
General	23,431.78	1,937.62	14,159.48	409.99	869.00	10,750.91
	\$ 157,575.88	\$ 398,977.76	\$ 378,113.28	\$ 89,600.70	\$ 89,600.70	\$ 178,440.36

Jupiter Middle School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Lake Shore Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 425 West Canal Street North
Belle Glade, FL 33430

Principal:
Fiscal Year 2016: Anthony Lockhart
During Audit: Anthony Lockhart

Treasurer:
Fiscal Year 2016: Itcelina Smith/Mary Rolle
During Audit: Mary Rolle

Cash and Investments

Checking	\$ 11,358.80
Investments	
	\$ 11,358.80

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 182.29	\$ 7,013.68	\$ 6,123.23	\$ 3,227.51	\$ 3,227.51	\$ 1,072.74
Music	1,939.53	27,097.35	28,605.91	5,909.01	5,909.01	430.97
Classes	1,064.26	26,068.00	25,376.90	977.67	977.67	1,755.36
Clubs	763.19	8,180.60	6,425.35	3,067.88	2,467.88	3,118.44
Departments	4,789.65	4,324.00	7,304.42	740.13	979.03	1,570.33
Trusts	5,217.09	3,176.84	5,316.05	2,000.00	2,000.00	3,077.88
General	2,354.23	14,224.55	15,884.60	2,082.38	2,443.48	333.08
	\$ 16,310.24	\$ 90,085.02	\$ 95,036.46	\$ 18,004.58	\$ 18,004.58	\$ 11,358.80

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that the *Sales Item Inventory Report* for the Band Chocolate Sales (Account #2-1000.03) was not completed. Based on the school's purchasing records this fundraiser should have generated a total estimated revenue of \$8,400 however only \$6,268.25 was recorded deposited in internal funds. As a result, \$2,131.75 (or 25%) in estimated revenue was unaccounted for.

Recommendation

Sales Item Inventory Report should be prepared and completed for each fundraiser with accurate information. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies collected through fundraisers should be accounted for properly.

Management's Response

Questions arose regarding a fundraiser that was sponsored by the former band director. After our investigation, we felt as though his management procedures needed to improve. Consequently, we instituted austerity measures to mitigate any further concerns. Hence, for every fundraising activity that he wanted to conduct, we required him to meet with the administrator, bookkeeper, and others in order to minimize further missteps. Once we increased the level of accountability, we saw a dramatic decrease in issues.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that two disbursements (#105308 for \$2,100 and #105364 for \$2,271.25) for payments of Band program expenses were not supported by itemized invoices or receipts. Instead, these two disbursements were supported by a credit memo and account statement that did not have the details for the purchases paid.

Recommendation

Expenditures should be adequately documented and supported by itemized invoices and receipts in order to ensure the purchases are appropriate.

Management's Response

We do not expect undocumented band expenditures to ever happen again, because the former band director no longer works at LSMS.

**Lake Worth Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1300 Barnett Drive
Lake Worth, FL 33461

Principal:
Fiscal Year 2016: Tanya Daniel
During Audit: Mike Williams

Treasurer:
Fiscal Year 2016: Silvia Torres
During Audit: Silvia Torres

Cash and Investments

Checking	\$ 28,863.18
Investments	
	\$ 28,863.18

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,573.95	\$ 10,236.00	\$ 10,693.74	\$ 5,634.97	\$ 5,634.97	\$ 3,116.21
Music	13.42	360.00	330.00	0.00	0.68	42.74
Classes	1,833.26	6,557.00	7,099.93	542.93	1,833.26	0.00
Clubs	2,623.96	6,038.40	4,401.33	507.32	585.27	4,183.08
Departments	7,068.54	24,694.98	24,151.23	8,062.12	8,260.78	7,413.63
Trusts	3,390.02	13,407.41	11,403.94	276.61	0.00	5,670.10
General	8,012.05	7,463.08	8,328.72	3,638.70	2,347.69	8,437.42
	\$ 26,515.20	\$ 68,756.87	\$ 66,408.89	\$ 18,662.65	\$ 18,662.65	\$ 28,863.18

DEPOSIT OF MONIES

Finding

The review of available yellow copies of *Monies Collected Reports* (MCRs) revealed that four collections dated January 13, February 17, February 24, and March 14, 2016 for Sweets for Yearbooks were neither recorded on the *Drop-safe Log* nor deposited into the Internal Funds. Consequently, we were unable to determine if \$153 in monies collected was unaccounted for.

Furthermore, the activity sponsor did not record the information for two collections (totaling \$47) on the *Drop-safe Log* before dropping off the monies into the safe. According to the school treasurer, the information was later entered into the *Log* (page #12-19122) and initialed by the sponsor when the monies collected were removed from the safe for processing by the school treasurer and secretary.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically, to ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*,

Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Conference and review of Internal Accounts procedures with teacher.

**Lantana Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1225 West Drew Street
Lantana, FL 33462

Principal:
Fiscal Year 2016: Edward Burke
During Audit: Edward Burke

Treasurer:
Fiscal Year 2016: Leona Burgess-Dotson
During Audit: Leona Burgess-Dotson

Community School Director:
Fiscal Year 2016: Cherie Anderson
During Audit: Cherie Anderson

Cash and Investments

Checking	\$ 41,947.73
Investments	
	\$ 41,947.73

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 1,168.61	\$ 9,151.15	\$ 10,311.67	\$ 6,433.45	\$ 6,233.45	\$ 208.09
Music	0.00	8,937.84	9,730.06	2,656.53	1,864.31	0.00
Classes	4,745.38	21,960.93	18,924.34	5,425.08	6,047.30	7,159.75
Clubs	1,888.04	4,300.80	5,048.31	3,436.82	3,660.87	916.48
Departments	19,828.52	20,220.85	20,896.99	5,579.37	6,205.37	18,526.38
Trusts	13,740.29	54,537.72	56,666.76	3,650.56	3,124.55	12,137.26
General	4,809.90	24,456.50	26,220.67	7,828.47	7,874.43	2,999.77
	\$ 46,180.74	\$ 143,565.79	\$ 147,798.80	\$ 35,010.28	\$ 35,010.28	\$ 41,947.73

Lantana Middle School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**L.C. Swain Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5332 Lake Worth Road
Greenacres, FL 33463

Principal:
Fiscal Year 2016: James Thomas
During Audit: James Thomas

Treasurer:
Fiscal Year 2016: Carmen Keeling
During Audit: Carmen Keeling

Cash and Investments

Checking	\$ 60,588.50
Investments	
	\$ 60,588.50

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 8,564.28	\$ 20,196.98	\$ 22,108.83	\$ 10,750.75	\$ 11,071.68	\$ 6,331.50
Music	677.04	3,471.00	2,541.84	1,360.00	1,360.00	1,606.20
Classes	2,647.30	28,618.00	28,361.11	1,454.79	1,292.79	3,066.19
Clubs	5,564.36	31,321.90	29,131.33	7,378.51	7,202.84	7,930.60
Departments	16,070.75	16,934.80	25,904.55	4,282.36	4,291.20	7,092.16
Trusts	35,905.65	20,377.72	34,246.68	6,480.40	7,152.30	21,364.79
General	9,206.44	38,539.13	35,212.51	11,688.40	11,024.40	13,197.06
	\$ 78,635.82	\$ 159,459.53	\$ 177,506.85	\$ 43,395.21	\$ 43,395.21	\$ 60,588.50

DEPOSIT OF MONIES

Finding

The review of money collection process and sample of *Monies Collected Reports* (MCRs) at the school found that:

- MCRs were not always completed with all the required information. For example, MCR #829-6 (for \$1,179) did not show the student's names for fundraiser collections or the check numbers.
- The school's *FY16 End-of-the-Year Check-Out List* mistakenly instructed staff to submit the yellow copies of MCRs and computerized receipts to the treasurer rather than the school secretary as required by District's procedures.

Recommendation

Money collections should be administered in accordance with *Internal Accounts Manual*, and District guidelines. Specifically,

- Monies collected should be supported by MCRs with all the required information, including the payer's name, dollar amount, and check number when appropriate.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..." These instructions should be included in the *End-of-the Year Check-Out List*.

Management's Response

Concur. Review all monies collected procedures with staff and treasurer.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that:

- Activities for the General Activities Shirts, General Activities Long Sleeve Shirts, and General Activities Polo Shirts sales began August 6, 2015. However, the sponsor did not complete the eLearning training until June 3, 2016.

L.C. Swain Middle School
Management Letter
Year Ended June 30, 2016

- Fundraising documentation was not prepared for the General Activities Shirts (Account #7-0100.02), General Activities Long Sleeve Shirts (Account #7-0100.07), General Activities Polo Shirts (Account #7-0100.08) or General Activities TRIVE Shirts (Account #7-0100.09).
- A total of \$330 in sales revenue was deposited into Internal Funds for the General Activities TRIVE Shirts (Account #7-0100.09). However, based on the school's purchasing records, this resale activity should have generated a total estimated revenue of \$640. As a result, \$310 (\$640 - \$330, or 48%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away or missing.
- Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.

Management's Response

Concur. Review fundraising course with treasurer as well as the importance of its limitations.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of documentation for sample disbursements and P-Card purchases found that disbursement #12023 (for \$500) was a payment for a DJ for the Eight Grade Dance. The disbursement was supported by a *School District Consultant Agreement (PBSD 1420)*. However, the *Agreement* was not approved by the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, to protect the safety and welfare of students, prior to the consultant performing services at the school, a *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required signatures.

Management's Response:

Concur.

LEASING OF SCHOOL FACILITIES

Finding

Lease Agreements were not always executed with all the required signatures prior to use of facilities by lessees. Specifically, *Lease Agreement* #1006 was not signed by the lessee and witness.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management's Response

Concur. Met with leasing administrator and reviewed leasing criteria.

**Loggers' Run Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 11584 West Palmetto Park Road
Boca Raton, FL 33428

Principal:
Fiscal Year 2016: Francis Giblin
During Audit: Ed Capitano

Treasurer:
Fiscal Year 2016: Mary Terese Ott
During Audit: Mary Terese Ott

Cash and Investments

Checking	\$ 302,502.15
Investments	
	\$ 302,502.15

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 2,548.23	\$ 6,792.76	\$ 6,628.25	\$ 2,429.00	\$ 2,429.00	\$ 2,712.74
Music	6,740.69	58,639.44	59,507.78	29,700.54	19,700.54	15,872.35
Classes	325.87	19,324.00	19,649.87	0.00	0.00	0.00
Clubs	16,926.10	16,842.15	19,546.60	5,735.25	3,507.25	16,449.65
Departments	46,023.15	37,061.95	34,007.47	10,881.02	9,805.54	50,153.11
Trusts	199,400.38	110,679.30	123,502.96	300.00	660.00	186,216.72
General	86,774.37	14,892.54	57,625.85	2,532.77	15,476.25	31,097.58
	\$ 358,738.79	\$ 264,232.14	\$ 320,468.78	\$ 51,578.58	\$ 51,578.58	\$ 302,502.15

Loggers' Run Middle School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Odyssey Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6161 Woolbright Road
Boynton Beach, FL 33437

Principal:
Fiscal Year 2016: Bonnie Fox
During Audit: Bonnie Fox

Treasurer:
Fiscal Year 2016: Joanni Mullaney
During Audit: Joanni Mullaney

Cash and Investments

Checking	\$ 7,091.52
Investments	
	\$ 7,091.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9.95	\$ 7,741.81	\$ 7,556.74	\$ 5,089.56	\$ 5,284.58	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	31.96	15,734.80	15,317.92	465.97	361.81	553.00
Clubs	0.00	361.50	335.13	0.00	26.37	0.00
Departments	68.12	15,132.55	14,248.34	8,931.50	9,883.83	0.00
Trusts	1,479.11	20,141.75	18,586.79	296.96	185.61	3,145.42
General	15,792.37	39,728.95	53,086.43	2,844.80	1,886.59	3,393.10
	\$ 17,381.51	\$ 98,841.36	\$ 109,131.35	\$ 17,628.79	\$ 17,628.79	\$ 7,091.52

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that:

- *Section 1* of the *Drop-safe Log* was not always completed with all the required information. Missing information included the dates of collections and the dates when the collections were put into the drop-safe.
- Numerous collections were marked “returned to teacher” as they were not ready for deposit. They were returned to sponsors for clarification. However, there were no records to document that the monies were returned to and received by the sponsors.
- At the year-end, some sponsors did not turn in the yellow copies of the MCRs, along with the computerized receipts, to the school secretary for record keeping.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education’s Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system by entering the *Official Receipt* number on the *Log*.
- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections (monies and/or checks) are returned to them for clarification. The treasurer should ensure that the collections were actually returned to the treasurer accordingly for deposit after the clarification was made by the sponsors.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7’s Record Retention Requirements*, “Teacher/sponsors should submit their yellow copies of the *MCR* and computerized receipts to the School Secretary...”

Management's Response

Concur. Proper procedures are in place for all drop safe information and signatures that are required.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for the following three fundraisers did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016: (1) Stress Buster Concessions Sales, (2) PE Uniforms Sales, and (3) the Athletics Concession Sales.
- The *Sales Item Inventory Report* for the Stress Buster Concessions Sales (Account #3-3600.00) was not reviewed and approved by the Principal. Moreover, the financials for the Stress Buster Concessions were recorded in the 6th Grade primary account (#3-3600.00), instead of a separate decimalized account for the sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff is familiar with and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Proper procedures are in place. All staff has done the fundraising training for FY 17.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #7422 (for \$4,283.75) was for purchase of student agenda books. However, the payment was supported by a written estimate instead of an invoice.
- The *Purchase Orders* for Disbursements #7413 (\$4,216), #7541 (\$1,217) and #7545 (\$2,325) were not approved by the Principal until four to 19 days after the invoice date.
- Disbursement #9071 (for \$2,831.00) was for purchase of yearbooks. The disbursement was supported by a contract which was signed by the Assistant Principal instead of the Principal. Moreover, the *Check Requisition* was approved and signed by the Secretary instead of the Principal.
- A total of \$4.08 in sales tax was paid for three qualified tax-exempt P-Card purchases on March 11 and 15, 2016.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. The issuance of a school check should be supported by the Principal's approved *Check Requisition*. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- A *Purchase Order* approved by the Principal is required for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- All contracts should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states "*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*"
- The School District is a tax-exempt governmental entity, and should not pay sales tax for qualified purchases.

Management's Response

Concur. Proper procedures are in place that the count documentation and information are submitted.

UNRESTRICTED ACCESS TO THE DROP-SAFE

Finding

During the audit, we noted that the Principal's secretary had the full combination to access the drop-safe.

Recommendation

Chapter 7 of the Internal Accounts Manual states "the safe combination may be shared between two or more trustworthy members of the office staff (such as the school treasurer, data processor, assistant principal, or secretary) with each person having a portion of the combination, so it takes two individuals to open the safe in the principal's absence. To ensure assets are safeguarded properly, access should be restricted only to authorized personnel.

Management's Response

Concur. Proper procedures are in place.

PRENUMBERED DOCUMENTS

Finding

The review of the *Document Custodian Assignment Register* (PBSD 1663) revealed that the *Register* was not approved by the Principal.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, designated staff should be assigned as document custodian for each prenumbered form; and the assignment should be recorded on the *Document Custodian Assignment Register* (PBSD 1663) and approved by the Principal.

Management's Response

Concur. Proper procedures are in place and approved by the principal.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that leasing charges for four (#1002, #1009, #1016 and #1017) leases were not always collected prior to the use of facilities. Delays ranged from 1 to 15 days.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Proper procedures are in place that leases are paid on time.

**Okecheelee Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2200 Pinehurst Drive
Greenacres, FL 33463

Principal:
Fiscal Year 2016: David Samore
During Audit: David Samore

Treasurer:
Fiscal Year 2016: Sandra Hernandez
During Audit: Sandra Hernandez

Cash and Investments

Checking	\$ 107,011.58
Investments	
	\$ 107,011.58

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 3,748.44	\$ 5,199.38	\$ 6,188.00	\$ 3,645.50	\$ 3,645.50	\$ 2,759.82
Music	3,984.76	18,053.34	19,652.64	10,099.17	9,081.57	3,403.06
Classes	11,260.15	63,403.70	62,342.10	9,013.37	9,308.04	12,027.08
Clubs	11,717.57	18,428.68	17,520.25	7,180.24	7,257.17	12,549.07
Departments	66,558.10	49,696.72	48,458.82	23,131.77	32,265.89	58,661.88
Trusts	14,056.90	17,556.72	18,768.37	4,543.75	503.00	16,886.00
General	2,935.53	77,698.58	84,356.81	22,411.27	17,963.90	724.67
	\$ 114,261.45	\$ 250,037.12	\$ 257,286.99	\$ 80,025.07	\$ 80,025.07	\$ 107,011.58

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The sponsors for the following three fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2015: (1) Sport Banquet and Awards Ceremony, (2) Valentine's Roses, and (3) Chocolate Sales.
- The Yearbook Sale (Account #5-0450.00) did not have the required *Fundraising Application/Recap Form* and *Sales Item Inventory Report*. This fundraiser had a total disbursements of \$6,345.40 and collected \$5,971 in sales revenue. As a result, it incurred a deficit of \$374.40.
- The *Sales Item Inventory Report* for the Chocolate Sale (Account #5-2100.02) was neither reviewed nor approved by the Principal. Moreover, as indicated by the sponsor on the *Report*, 810 chocolate bars with a total estimated resale value of \$810 were given-away without records documenting the purpose and the recipients for the gifts.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements as

Okeeheelee Middle School
Management Letter
Year Ended June 30, 2016

specified in **Bulletin #P-12690-CAO/COO/P** for gift cards, that “*schools must maintain documentation of all recipients of gift cards.*” Records for give-away items should include the purposes and the names of recipients.

Management’s Response

Concur. Already taken

Additional Comments:

Thank you for your support.

**Omni Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5775 Jog Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2016: Gerald Riopelle
During Audit: Gerald Riopelle

Treasurer:
Fiscal Year 2016: Mirtha Valencia Mohammadzadeh
During Audit: Mirtha Valencia Mohammadzadeh

Cash and Investments

Checking	\$ 131,937.25
Investments	
	\$ 131,937.25

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 21,443.46	\$ 12,551.00	\$ 8,817.30	\$0.00	\$0.00	\$ 25,177.16
Music	6,359.26	56,817.10	52,486.00	15,682.38	15,532.38	10,840.36
Classes	636.96	53,721.00	53,626.95	94.05	188.10	636.96
Clubs	15,843.55	16,865.95	22,384.87	1,409.04	1,140.47	10,593.20
Departments	32,402.57	129,501.90	123,805.28	23,543.52	20,600.32	41,042.39
Trusts	14,972.01	52,941.31	35,146.18	2,312.50	6,832.50	28,247.14
General	20,265.07	12,843.62	18,960.93	10,374.20	9,121.92	15,400.04
	\$ 111,922.88	\$ 335,241.88	\$ 315,227.51	\$ 53,415.69	\$ 53,415.69	\$ 131,937.25

DOCUMENTATION FOR FUNDRAISERS

Finding

The Math-Go Math (Account #5-1600.01) fundraiser did not have the required *Sales Item Inventory Report*. Moreover, the fundraiser sponsor did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2015.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away.
- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. Individual meeting with teacher/sponsor to review appropriate steps on the collection of funds for classroom materials. Additionally, sponsor was directed to complete training sessions prior to collection of funds.

Additional comments

Please note that with the inventory report there were two items on the same account. There was appropriate documentation for the Algebra material but not for the disposable workbooks.

Osceola Creek Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6775 180th Avenue North
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: Nicole Daly
During Audit: Nicole Daly

Treasurer:
Fiscal Year 2016: Tracy Guinaugh
During Audit: Tracy Guinaugh

Cash and Investments

Checking	\$ 71,288.10
Investments	
	\$ 71,288.10

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 5,837.36	\$ 12,338.29	\$ 10,547.82	\$ 6,697.51	\$ 6,697.51	\$ 7,627.83
Music	5,860.75	9,123.00	11,159.12	720.58	450.00	4,095.21
Classes	20.65	5,740.00	4,462.21	1,251.82	2,001.82	548.44
Clubs	2,784.23	16,193.61	15,094.42	5,559.44	6,008.93	3,433.93
Departments	16,091.98	54,594.31	52,373.04	18,812.27	18,655.73	18,469.79
Trusts	3,098.74	20,212.48	10,873.21	365.32	455.32	12,348.01
General	19,204.55	35,883.85	31,185.88	18,661.06	17,798.69	24,764.89
	\$ 52,898.26	\$ 154,085.54	\$ 135,695.70	\$ 52,068.00	\$ 52,068.00	\$ 71,288.10

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and the money collection process at the school found that:

- *Section 2* on three pages (pages #12-79840, #12-79839, and #14-46951) did not have the dates collections were removed from the safe.
- *Section 3* for one entry (page #12-79858) was not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.
- Monies collected were not always deposited in a timely manner. For example, \$1834.10 collected through 13 MCRs (#654-4, #657-1, #679-11, #697-16, #697-17, #697-18, #697-19, #697-20, #697-21, #697-22, #697-23, #717-5, #713-7) was retained by the sponsor for one to two working days before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in unintended irregularities.

Management's Response

Reference email from Accounting Department.

DOCUMENTATION FOR FUNDRAISERS

Finding

Activities for the Drama Club (Account #4-1650.03) began November 2, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until January 14, 2016; i.e., two months after fundraiser activities began.

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- Two P-Card purchases (\$210.46 and \$356.08) occurred during February 2011, did not have supporting documentation for the expenses.
- *P-Card Monthly Bank Statements* for February 2016, were not signed by the cardholders and Principal. Specifically, two statements did not have the Principal's signature indicating supervisory review of purchases and one did not have the cardholder's signature.
- Disbursements #11574 (for \$2,312.50) and #12024 (for \$2,910) were for the purchases of the Yearbooks and 8th Grade Dance venue, respectively. However, both disbursements were supported by contracts signed by the activity sponsors instead of the Principal.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

Osceola Creek Middle School
Management Letter
Year Ended June 30, 2016

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To prevent and detect potential frauds and irregularities and in accordance with ***Purchasing Card Procedures***, P-Card activities should be timely reconciled after the receipt of bank statements. Cardholders should complete the Purchasing Card *End-of-Cycle Checklist* monthly, and all monthly P-Card reconciliation records should be reviewed and approved by the Principal.
- All contracts should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”

Management’s Response

Concur.

PRENUMBERED DOCUMENTS

Finding

According to the school’s designated Document Custodian for *School Checks* and *Drop-safe Logs*, the monthly inventories have not been performed as required by ***Chapter 27*** of the ***Internal Accounts Manual***. Instead, the school treasurer completed the *Prenumbered Document Inventory Report (PBSD 0160)* for these documents and had the document custodian sign the *Report* and year-end.

Recommendation

To ensure all prenumbered documents are properly accounted for and complying with ***Chapter 27*** of the ***Internal Accounts Manual***, the designated document custodian for *School Checks* and *Drop-safe Logs* should prepare the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the forms.

Management’s Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that charges for three *Lease Agreements* (#1006, #1007, and #1013) were not collected prior to the use of facilities. Delays ranged from three to 18 days.

Recommendation

School Board Policy 7.18, requires that leasing charges “are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.”

Management’s Response

Concur.

**Palm Springs Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1560 Kirk Road
Palm Springs, FL 33461

Principal:
Fiscal Year 2016: Sandra Jinks
During Audit: Sandra Jinks

Treasurer:
Fiscal Year 2016: Lori Cayea
During Audit: Lori Cayea

Community School Director:
Fiscal Year 2016: Sean Ashworth
During Audit: Sean Ashworth

Cash and Investments

Checking	\$ 185,739.69
Investments	
	\$ 185,739.69

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 13,065.23	\$ 10,143.11	\$ 12,767.95	\$ 5,319.54	\$ 5,630.61	\$ 10,129.32
Music	13,539.96	33,164.44	38,354.36	24,234.83	20,493.96	12,090.91
Classes	2,687.34	6,017.84	6,922.11	763.50	793.17	1,753.40
Clubs	43,689.10	48,813.80	38,336.36	4,874.96	13,683.07	45,358.43
Departments	29,823.60	31,032.21	35,563.79	15,243.15	15,973.19	24,561.98
Trusts	55,771.51	89,559.88	90,683.34	320.00	501.53	54,466.52
General	61,722.25	88,671.43	119,334.10	29,204.37	22,884.82	37,379.13
	\$ 220,298.99	\$ 307,402.71	\$ 341,962.01	\$ 79,960.35	\$ 79,960.35	\$ 185,739.69

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) found that monies collected were not always deposited in a timely manner. For example, \$5,287.00 collected through seven MCRs # (808-1, 753-8, 740-7, 727-7, 723-16, 719-2, and 775-11) were retained by the sponsors for one to four working day before they were put into the drop-safe for deposit.

Recommendation

As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

Management's Response

Concur. Sponsors have been made aware of deposit rules stating money to be deposited daily.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

The sponsors of the following three fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
PSTV-Shirts	#5-0550.01	12/8/2015	Did not complete
Shirt Shack	#7-0100.01	8/3/2015	Did not complete
Chorus-Bracelet Sales	#2-1500.05	12/15/2015	6/3/2016

- The *Fundraising Application/Recap Form* for the PSTV-Shirts Sales (Account #5-0550.01) was not verified by the Bookkeeper.
- The *Sales Item Inventory Report* for the Shirt Shack Sales (Account #7-0100.00) was not signed and dated by the Sponsor.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal, verified by the Bookkeeper and documented on the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the sponsor and the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Sponsors have been directed to complete the eLearning courses prior to engaging in field trips, fundraisers, etc.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Disbursement #13054 (for \$400.00) was for payment to a disc-jockey performing at the 8th grade dance. However, the related *School District Consultant Agreement* (PBSD 1420) was not approved by the Principal and the related invoice was not defaced after payment in order to prevent potential duplicate payment.
- A November 17, 2015, P-Card purchase (for \$146.50) was supported by an e-mail confirmation that contained only the dollar amount without the details of the purchase.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.
- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Concur. All supporting documentation will be adequately signed, dated, and included with payment.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

Some of the Adult Education related fees collected during the months of September 2015, November 2015, March 2016, April 2016, and May 2016 were not timely transmitted, with delays ranging from 3 to 30 days. District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period.

Recommendation

In order to provide timely funding sources for Adult Education personnel and other related expenses, all tuition and GED Special Testing fees should be transmitted to the Central Office within five business days after the close of the accounting period.

Management's Response

Concur. The transmittal schedule for FY17 has been changed to reflect Adult Education fees 6-7020.00, Community Ed fees 6-8500.00, and Advertising fees 6-8610.00. All transmittals will be within 42 days after Community session begins.

**Polo Park Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 11901 Lake Worth Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Ann Clark
During Audit: Ann Clark

Treasurer:
Fiscal Year 2016: Elisa DelVecchio
During Audit: Jenny Weinerman

Cash and Investments

Checking	\$ 115,977.49
Investments	
	\$ 115,977.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,413.79	\$ 20,607.00	\$ 20,416.90	\$ 10,424.96	\$ 10,304.96	\$ 7,723.89
Music	834.38	3,427.00	4,414.12	152.74	0.00	0.00
Classes	701.44	11,780.00	10,347.19	1,296.40	2,066.00	1,364.65
Clubs	6,646.08	11,602.25	14,993.08	2,772.53	2,482.53	3,545.25
Departments	28,838.91	68,637.51	60,366.28	20,490.38	20,601.24	36,999.28
Trusts	26,320.50	132,173.53	100,093.62	298.42	223.42	58,475.41
General	4,224.41	14,935.61	11,533.73	10,500.75	10,258.03	7,869.01
	\$ 74,979.51	\$ 263,162.90	\$ 222,164.92	\$ 45,936.18	\$ 45,936.18	\$ 115,977.49

ACCOUNTS PAYABLE

Finding

As of June 30, 2016, the school had a total debt of \$25,295.23, payable to the Central Office. Of the \$25,295.23 in debts, \$22,969.84 was cumulative expenses incurred during School Years 2008 (\$21,796.88) and 2009 (\$1,172.96)

Recommendation

The school should develop a payment plan to address the unpaid debts.

Management's Response

Polo Park should not be responsible for a previous principal's fiscal mismanagement.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsors of the following two fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Agenda Book Sales	7-0100.01	8/17/2015	Did not complete
Science Night T-Shirt Sales	5-2100.02	10/15/2015	1/12/2016

Recommendation

To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Teachers will be reminded to complete fundraising course prior to fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements found that disbursement #11776 (\$4,266) was for the payment of two charter buses for an out-of-county, 8th Grade field trip, on February 5, 2016. However, this field trip did not have the required *Field Trip/Activity Planning Report and Approval Request Form*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically, field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. A *Field Trip/Activity Planning Report and Approval Request* and TDEs must be completed by the sponsor and pre-approved by the Principal and other required District departments depending on the destination for each field trip.

Management's Response

Concur. TDE's will be completed prior to field trips. Staff will be reminded of requirements.

**Roosevelt Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1900 North Australian Avenue
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Moneek McTier
During Audit: Moneek McTier

Treasurer:
Fiscal Year 2016: Dawnette Smith
During Audit: Dawnette Smith

Community School Director:
Fiscal Year 2016: Mary Lisa Stimmler
During Audit: N/A

Cash and Investments

Checking	\$ 92,298.72
Investments	
	\$ 92,298.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,089.98	\$ 23,027.55	\$ 23,443.08	\$ 4,771.26	\$ 4,868.56	\$ 6,577.15
Music	2,895.07	7,180.85	5,422.40	0.00	309.67	4,343.85
Classes	4,998.95	35,403.01	33,000.44	2,390.64	3,473.52	6,318.64
Clubs	9,661.86	16,530.72	15,071.13	5,376.42	6,435.29	10,062.58
Departments	26,400.94	37,859.13	41,276.32	18,403.38	17,784.14	23,602.99
Trusts	39,613.97	81,489.91	85,636.17	12,388.69	13,691.30	34,165.10
General	8,277.45	3,729.48	8,010.61	4,202.39	970.30	7,228.41
	\$ 98,938.22	\$ 205,220.65	\$ 211,860.15	\$ 47,532.78	\$ 47,532.78	\$ 92,298.72

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The review of the school's records found that the related testing fees collected were not transmitted to the Central Office in a timely manner for five of the 10 months. Delays ranged from one to 22 days.

Recommendation

Fees collected from this programs should be timely transmitted to the Central Office in accordance with the District's guidelines.

Management's Response

Concur. The night school / GED Program is no longer housed on our campus, but I concur with the recommendation and will ensure that Roosevelt follows through according if the program returns.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that two *Lease Agreements* (#1001 and #1003) were not approved by the Principal. These leases were signed by the lessees and witnesses using the "Review-In-Progress" copies as the executed document.

Recommendation

To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures on the "Issued" copy of leases prior to the use of facilities by lessees.

Management's Response

Concur. I have discussed the matter with my Confidential Secretary and I will ensure that we adhere to the recommendations.

**Tradewinds Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5090 South Haverhill Road
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Rebecca Subin
During Audit: Rebecca Subin

Treasurer:
Fiscal Year 2016: Lorraine Baker
During Audit: Lorraine Baker

Cash and Investments

Checking	\$ 75,215.52
Investments	
	\$ 75,215.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,346.51	\$ 9,997.50	\$ 6,102.22	\$ 3,287.00	\$ 3,008.20	\$ 10,520.59
Music	6,800.02	11,705.50	8,684.52	3,064.91	3,007.29	9,878.62
Classes	9,398.46	66,648.93	62,777.89	15,114.25	13,586.87	14,796.88
Clubs	1,623.18	15,621.09	15,981.67	10,404.90	5,860.86	5,806.64
Departments	20,493.64	27,246.36	22,657.60	7,928.56	12,455.56	20,555.40
Trusts	13,903.35	10,653.00	20,417.44	3,273.52	3,664.52	3,747.91
General	12,127.74	40,172.30	40,900.72	19,594.70	21,084.54	9,909.48
	\$ 70,692.90	\$ 182,044.68	\$ 177,522.06	\$ 62,667.84	\$ 62,667.84	\$ 75,215.52

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that monies collected were not always deposited in a timely manner. For example, \$774 collected through 10 MCRs (#s 932-6, 954-2, 1022-5, 930-5, 953-9, 953-10, 953-11, 953-12, 953-13 and 958-6) were retained by the sponsor for one to two working day before it was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, as required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

Management's Response

Concur. My staff is aware of this practice and we have reiterated this concern and audit finding.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsors of the following three fundraisers did not complete the eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Activity	Account Number	Activity Began	Training Completed
Car Wash	#4-1485.02	2/12/2016	6/3/2016
Chocolate Candy	#7-0100.05	9/21/2015	6/3/2016
Sale of P.E Uniforms	#5-1900.01	8/15/2015	2/13/2016

Recommendation

To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Administration has put a practice in place that adds required eLearning Training prior to any fundraising approvals and certificate validation of completion to be attached.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that part of Disbursement #7070 (\$48.00 of \$287.65) was supported by a credit card transaction receipt that displayed only the total dollar amount without the details for the purchase.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically, all disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there was no assurance that the expenses were appropriate.

Management's Response

Concur. All staff members with P-Cards are aware of this policy.

Watson B. Duncan Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 5150 117th Court North
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2016: Phillip D'Amico
During Audit: Phillip D'Amico

Treasurer:
Fiscal Year 2016: Latrice Harris / Mayra Stambaugh
During Audit: Janine King

Cash and Investments

Checking	\$ 221,976.17
Investments	
	\$ 221,976.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,751.69	\$ 10,070.00	\$ 8,473.36	\$ 266.00	\$ 166.00	\$ 6,448.33
Music	15,349.70	53,456.52	45,882.27	21,061.75	20,584.87	23,400.83
Classes	12,131.70	54,458.00	55,734.16	2,726.47	4,014.54	9,567.47
Clubs	17,119.97	32,083.59	24,786.79	5,764.02	5,875.29	24,305.50
Departments	108,120.88	151,661.43	155,886.97	49,281.70	42,038.55	111,138.49
Trusts	36,195.93	104,473.46	87,519.96	4,505.62	10,822.55	46,832.50
General	2,705.64	4,235.92	6,554.75	569.65	673.41	283.05
	\$ 196,375.51	\$ 410,438.92	\$ 384,838.26	\$ 84,175.21	\$ 84,175.21	\$ 221,976.17

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- Activities for the P.E. Locker Rental (Account #5-1900.02) began August 25, 2015. However, the sponsor for this fundraiser did not complete the annual eLearning Fundraiser Training course until June 3, 2016; i.e. 10 months after the activity began.
- None of the *Sales Item Inventory Reports* were reviewed and approved by the Principal.
- The financials for the LFA Drama Spring Play were recorded in the LFA Drama Account (#5-7654.00), instead of a decimalized account for the sales.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Keep a current list of fundraising training completed by staff members to ensure completion before beginning each fundraiser. Ensure approval has been obtained on Inventory Reports before signing off on Bookkeeper's recap. Double check funds are going into the correct decimalized accounts.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transactions found that:

- Disbursement #11684 (for \$15,026.25) was payment for admission to an out-of-county field trip in Orlando on December 3, 2015. However, this expense did not have the required principal-approved *Check Requisition*.
- Disbursement 12322 (for \$5,995.20) was inadequately supported by an account statement and not an itemized invoice.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically, expenditures should be adequately supported by itemized invoices/receipts. The issuance of a school check should be supported by the Principal's approved *Check Requisition*. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Make sure each disbursement has a principal-approved Check Requisition and a proper account statement / invoice.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that:

- The Tririga System indicated that the school had 13 leasing arrangements during the year. However, the school did not have a hard copy of the executed *Lease Agreements* for 12 leases: #1001 through #1010, #1012, and #1013.
- *Lease Agreements* #1011 were neither signed by the lessees and witnesses nor approved by the Principal until 14 days after the leasehold period began.

Watson B. Duncan Middle School
Management Letter
Year Ended June 30, 2016

- \$2,709.50 in utility fees collected from leases in fiscal year 2016 were inadvertently recorded in the Rental Income Account (#6-3800) instead of the Utilities Facility Rental Account (#6-5500). As a result, the school under-transmitted \$2,709.50 in utility fees to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- Utility fees collected from leases should be recorded in the Utilities Facility Rental Account (#6-5500) and transmitted to the Central Office accordingly.

Management's Response

Concur. Make sure lease agreements are completed BEFORE leasing period begins. Keep physical copies of leases on files with other bookkeeper's files. Ensure utility fees are properly calculated and transmitted semi-annually.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school did not maintain the following records:

- *Document Custodian Assignment Register (PBSD 1663).*
- *Prenumbered Document Inventory Register (PBSD 0160) for Drop-Safe Log and School Checks.*

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*,

Watson B. Duncan Middle School
Management Letter
Year Ended June 30, 2016

- Designated staff should be assigned as document custodian for each prenumbered form, and the assignment should be recorded on the *Document Custodian Assignment Register* (PBSD 1663).
- To ensure all prenumbered documents are properly accounted for, the document custodians for the *Drop-safe Logs* and *School Checks* should use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory check of the prenumbered forms.

Management's Response

Concur. Document custodian is informed and equipped with proper registers and logs for FY17 and going forward.

**Wellington Landings Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1100 Aero Club Drive
Wellington, FL 33414

Principal:

Fiscal Year 2016: Blake Bennett
During Audit: Blake Bennett

Treasurer:

Fiscal Year 2016: Capella Flaherty
During Audit: Capella Flaherty

Cash and Investments

Checking	\$ 137,318.72
Investments	
	\$ 137,318.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,368.10	\$ 21,107.70	\$ 21,564.20	\$ 3,070.77	\$ 3,070.77	\$ 8,911.60
Music	20,804.99	42,919.04	38,420.36	16,400.55	16,400.55	25,303.67
Classes	10,692.87	78,402.00	84,181.23	1,072.85	1,072.85	4,913.64
Clubs	4,337.07	24,518.21	25,177.48	3,800.93	3,455.11	4,023.62
Departments	51,824.06	62,288.06	64,304.33	21,146.37	21,046.37	49,907.79
Trusts	37,332.19	114,448.36	106,866.16	25,144.42	25,590.24	44,468.57
General	4,093.60	23,263.34	27,567.11	5,405.12	5,405.12	(210.17)
	\$ 138,452.88	\$ 366,946.71	\$ 368,080.87	\$ 76,041.01	\$ 76,041.01	\$ 137,318.72

SEGREGATION OF DUTIES

Finding

During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer. However, those mails addressed to the treasurer were opened by her for processing.

Recommendation

Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to depositing the payments into the drop-safe.

Management's Response

Concur. Corrections have been made.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The *Sales Item Inventory Reports* for Chorus and Handbell Uniform Sales (2-1500.01) and Chorus and Handbell Polo Shirt Sales (Account #2-1500.02) were not completed with all of the required fundraising information. Missing information included (1) the beginning and ending inventories, (2) the quantities of items purchased, sold, and given-away.
- The *Sales Item Inventory Reports* for the following three fundraisers were neither reviewed nor approved by the Principal: (1) Soccer Boys Tee Shirts, (2) Chorus and Handbell Uniform, and (3) Chorus and Handbell Polo Shirt.

Recommendation

Sales Item Inventory Report should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Corrective actions have been taken.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- Disbursement #12329 (for \$420) was for payment to a consultant for musical instruction during November 3, 2015 through December 1, 2015 by Rucker Music, LLC. However, the related *School District Consultant Agreement (PBSD 1420)* was not approved by the Principal.
- Disbursement #12446 (for \$312.50) was for payment to a consultant (a disc-jockey performing at the spring dance). However, the engagement of this consultant did not have a *School District Consultant Agreement (PBSD 1420)*.
- Four P-Card transactions, totaling \$171.98, did not have adequate supporting documentation. Three transactions occurred on October 30, 2015, totaling \$150.98, were supported by credit receipts that did not have the details of the items purchased; and the other \$21.00 purchase occurred on October 30, 2015, did not have any supporting documentation.
- Supporting documentation such as invoices/receipts were not always defaced (stamped "PAID") after payment in order to prevent duplicate payments.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.

Wellington Landings Middle School
Management Letter
Year Ended June 30, 2016

- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To avoid duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

Management’s Response

Concur. Corrective actions have been taken.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found the following:

- The school did not maintain the *Document Custodian Assignment Register* (PBSD 1663).
- The school did not perform the monthly inventory-check for the School Checks and *Drop-safe Logs*.

Recommendation

To ensure proper fiscal controls and accountabilities, and as required by ***Chapter 27 of the Internal Accounts Manual***,

- Designated staff should be assigned as document custodian for each prenumbered form; and the assignment should be recorded on the *Document Custodian Assignment Register* (PBSD 1663) and approved by the Principal.
- To ensure all *Drop-safe Logs* are properly accounted for and complying with ***Chapter 27 of the Internal Accounts Manual***, the designated document custodian for *School Checks* and *Drop-safe Logs* should use the *Prenumbered Document Inventory Register* (PBSD 0160) to account for the usage and monthly inventory-check of these documents.

Management’s Response

Concur. Corrective actions have been taken.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that Lease #1012 had the following exceptions:

- *Lease Agreement* was neither signed by the lessee nor a witness until nine days after the leasehold period began.
- The leasing charge was not collected until 16 days after the use of facilities by the lessee.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be executed with all the required signatures prior to the use of facilities by lessees.
- *School Board Policy 7.18*, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur. Corrective actions have been taken.

**Western Pines Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5949 140 Avenue North
Royal Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Robert Hatcher
During Audit: Robert Hatcher

Treasurer:
Fiscal Year 2016: Tammi LeBlanc
During Audit: Tammi LeBlanc

Cash and Investments

Checking	\$ 173,798.95
Investments	
	\$ 173,798.95

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 6,108.65	\$ 9,394.00	\$ 8,566.57	\$ 10,383.77	\$ 10,580.92	\$ 6,738.93
Music	3,548.36	11,190.00	7,763.63	8,089.51	8,089.51	6,974.73
Classes	3,500.24	6,085.70	6,795.86	283.44	283.44	2,790.08
Clubs	6,261.01	13,815.95	12,120.54	4,885.07	4,885.07	7,956.42
Departments	73,696.14	88,617.13	72,331.01	42,349.13	42,449.13	89,882.26
Trusts	40,678.89	40,060.06	34,581.99	6,550.58	6,212.16	46,495.38
General	18,025.44	38,353.37	43,376.39	4,161.35	4,202.62	12,961.15
	\$ 151,818.73	\$ 207,516.21	\$ 185,535.99	\$ 76,702.85	\$ 76,702.85	\$ 173,798.95

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that:

- *Section 3* for 6 pages (pages #12-67038, #12-67036, #12-67035, #12-67034, #12-67033 and #12-67024) were not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.
- A total of five collections recorded on five *Drop-safe Logs* (#12-62938, #12-62911, #12-67085, #12-67077 and, #12-67080) were marked "gave back" or "gave back wrong school" in *Sections 2* and *3* of the *Logs*. However, there were no records to document that the monies were actually returned to and received by the sponsors.
- Monies collected were not always deposited in a timely manner. For example, \$1834.10 collected through 13 MCRs (#545-9, #545-24, #549-11, #582-4, #606-14, #597-5, #600-6, #586-9) were retained by the sponsor for one to three working days before they were put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*, and the treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- As required by *DOE Rules* and District *Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after

the collections. Delay in turning in the monies for deposit could increase the exposure to sponsors and result in potential irregularities.

Management's Response

Concur. Will apply District recommendation immediately.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Student Council Snowball (Account #4-4810.03) did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. Will apply District recommendation immediately.

**Woodlands Middle School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5200 Lyons Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Jeffrey Eassa
During Audit: Jeffrey Eassa

Treasurer:
Fiscal Year 2016: Vilma Fedor
During Audit: Vilma Fedor

Cash and Investments

Checking	\$ 95,251.70
Investments	
	\$ 95,251.70

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 12,097.37	\$ 11,776.20	\$ 17,393.65	\$ 10,123.14	\$ 7,894.89	\$ 8,708.17
Music	4,528.18	39,532.14	42,347.96	7,432.96	7,432.96	1,712.36
Classes	1,110.51	18,379.90	17,691.54	0.00	759.56	1,039.31
Clubs	2,931.81	9,699.15	7,152.17	1,748.14	1,748.14	5,478.79
Departments	46,736.86	83,306.56	85,135.02	15,373.67	17,601.92	42,680.15
Trusts	32,377.45	47,075.81	45,071.59	7,013.14	7,073.14	34,321.67
General	1,273.89	2,430.43	3,212.63	888.06	68.50	1,311.25
	\$ 101,056.07	\$ 212,200.19	\$ 218,004.56	\$ 42,579.11	\$ 42,579.11	\$ 95,251.70

Woodlands Middle School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

High Schools

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**Alexander W. Dreyfoos School of Arts School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 501 South Sapodilla Avenue
West Palm Beach, FL 33401

Principal:
Fiscal Year 2016: Susan Atherley
During Audit: Susan Atherley

Treasurer:
Fiscal Year 2016: Sandra Bullock
During Audit: Sandra Bullock

Cash and Investments

Checking	\$ 595,790.67
Investments	
	\$ 595,790.67

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 10,477.25	\$ 18,713.98	\$ 19,590.50	\$ 2,584.38	\$ 2,659.38	\$ 9,525.73
Music	59,955.50	317,609.95	312,669.26	98,575.61	98,604.02	64,867.78
Classes	33,730.27	123,111.88	119,359.23	17,146.06	17,253.72	37,375.26
Clubs	41,361.53	46,390.83	41,057.22	9,471.87	9,042.97	47,124.04
Departments	200,813.52	523,723.66	506,479.86	179,753.63	178,138.69	219,672.26
Trusts	139,765.16	301,757.40	281,059.38	728.18	4,177.69	157,013.67
General	76,956.84	71,468.86	89,830.51	31,449.31	29,832.57	60,211.93
	\$ 563,060.07	\$1,402,776.56	\$1,370,045.96	\$ 339,709.04	\$ 339,709.04	\$ 595,790.67

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The *Drop-safe Logs* were not always completed with all the required information. Specifically, *Section 3* of the *Log* on three pages (#s14-40367, #14-40450, and #14-40458) was not signed by the independent staff to verify that the collections had been recorded in the General Ledger by the treasurer.
- Monies collected were not always deposited in a timely manner. For example, \$4,610 collected through eight MCRs (1013-7, 1033-3, 1033-4, 1033-5, 1087-6, 1087-7, 1087-8, and 1087-9) was retained by the sponsors for one to four working days before the money was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the monies collected into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the deposits were removed from the safe by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. Missed the signature places. Will be more attentive.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the sponsor for the following two fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016: (1) 2016 Campus Yearbook Sales, and (2) Seeds Candy Sale.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically, to ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. Sponsor last year (retired). New sponsor has completed all trainings.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that six disbursements (#14054, #14252, #14323, #14284, #14154, and #13933) totaling \$93,330.67) were for transportation, lodging, and expense reimbursements for out-of-county field trips. However, the documentation did not include the required *Field Trip/Activity Roster (PBSD 2149)*.

Recommendation

Field trips should be conducted in accordance with *School Board Policy 2.40* and related District guidelines. Specifically, the *Field Trip/Activity Roster (PBSD2149)* is mandatory for Out-of State, Out-of County or Overseas trips to document adequate funding has been obtained prior to travel.

Management's Response

Concur. Secretary was not aware that 2149 was needed (new position). Previous secretary did not train her to do this.

LEASING OF SCHOOL FACILITIES

Finding

The review of leases found that:

- Leasing charges were not allocated and recorded in accordance with District's guidelines. During the year, the school under-allocated \$8,733.88 in utility fees collected from leasing activities. Consequently, the school under-paid the Central Office \$8,733.88 in utility fees.
- Lease #1012 was recorded in the Tririga System; but it was not corrected after the lease was cancelled later. This lease had a total contract amount of \$2,102.40 from this lease due to the cancellation. According to staff, the cancellation was not recorded in the Tririga System. As a result, the Tririga System overstated the school's leasing income by \$2,102.40.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- The allocated portion of rental charges for utilities fees should be recorded in the Facilities Rental Utilities Account (#6-5500.00) in accordance with the District's approved *Rate Schedule*. These fees should be transmitted to the Central Office accordingly.
- Leasing information should be accurately recorded in the Tririga System; and the information should be updated for contract amendment and cancellation.

Management's Response

Concur. Leasing coordinator not here any longer. New leasing coordinator is aware of the mistake and is making adjustments for this year's leases.

Additional Comments:

All positions above has been assigned to different staff members.

**Atlantic High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2455 West Atlantic Avenue
Delray Beach, FL 33445

Principal:
Fiscal Year 2016: Tara Dellagrotti Ocampo
During Audit: Tara Dellegrotti Ocampo

Treasurer:
Fiscal Year 2016: Mary Stacey
During Audit: Mary Stacey

Community School Director:
Fiscal Year 2016: Mary Powers
During Audit: Mary Powers

Cash and Investments

Checking	\$ 486,396.89
Investments	
	\$ 486,396.89

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 36,711.38	\$ 215,583.79	\$ 200,641.74	\$ 34,956.93	\$ 37,061.50	\$ 49,548.86
Music	51,045.17	85,246.89	78,324.79	22,647.30	23,242.75	57,371.82
Classes	12,506.51	46,565.00	41,102.41	7,887.58	7,767.58	18,089.10
Clubs	66,098.20	95,031.37	88,245.79	42,777.76	49,705.73	65,955.81
Departments	76,562.25	56,571.67	65,472.12	17,799.81	13,437.31	72,024.30
Trusts	237,463.04	158,814.19	170,137.63	9,750.00	25,110.00	210,779.60
General	2,097.63	16,333.56	26,309.28	22,792.21	2,286.72	12,627.40
	\$ 482,484.18	\$ 674,146.47	\$ 670,233.76	\$ 158,611.59	\$ 158,611.59	\$ 486,396.89

DEPOSIT OF MONIES

Finding

The review of the money collection process sample and *Monies Collected Reports* (MCRs) at the school found that:

- The *Drop-safe Log* was not always completed with all the required information. For example, *Section 3* of two pages (#12-11798, and #12-11784) was not (1) completed with the receipt number generated by the accounting software and (2) signed by the verifier after the deposit information was entered in the school's accounting system.
- The *Drop Safe Logs* had numerous entries marked as "hold, returned to sponsor". For example, 56 collections occurred during the period July 13, through October 5, 2015 and March 29 - 30, 2016. According to staff, these were either change funds or collections not ready for deposit and were returned to the respective sponsors for further clarification. However, no records were maintained to document that the monies were returned to and received by the sponsors.

Recommendation

Money collections should be administered in accordance with the *Internal Accounts Manual* and District guidelines. Specifically,

- To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the monies collected into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. Lastly, the verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- Written records should be maintained and acknowledged by the remitting staff when the monies collected are returned for processing.

Management's Response

Per accounting department the treasurer is not required to sign the drop-safe log. Holds that are returned are deposited and documented the next day. We posted a sample of a drop-safe log for all employees to view prior to filling out.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The Yearbook Sales (Account 5-0450.00) did not have the required *Sales Item Inventory Report*.
- The school purchased 653 coupon books for the Band Coupon Book Sales (Account #2-1000.01), which should have generated a total estimated revenue of \$13,060. The *Sales Item Inventory Report* indicated that 74 coupon books with a total resale value of \$1,480 were either missing or given-away. According to staff, some students did not turn-in the monies or unsold books at the end of the fundraising event. Students with uncollected dollar amounts were included in the obligation list. However, the obligation list indicated only \$1,260 in uncollected funds for this fundraiser. Consequently \$220 (\$1,480 - \$1,260) was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure proper fiscal accountability, *Sales Item Inventory Report* should be completed with all the accurate information. Accurate *Sales Item Inventory Report* should assist staff in (1) reconciling sales revenues and (2) tracking items purchased, given-away, or remaining in inventory. Significant discrepancy between the estimated revenue and actual receipts should be investigated and resolved accordingly.
- All students with uncollected funds should be included on the obligation list.

Management's Response

Yearbook sales were for ads was not a fundraiser they were sold online. Band fundraiser teacher explained student paid over summer and names were removed from the obligation list.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that,

- Some disbursements did not have adequate supporting documentation;
 - Disbursement #14488 (for \$2,156) and \$51.94 of Disbursement #14756 (for \$496.01) were supported by quotes instead of detailed invoices.
 - Disbursement #14698 (for \$2,625) was supported by a handwritten hotel reservation form instead of the final itemized invoice.
 - Ten P-Card transactions totaling \$2,971.16 were not supported by credit card receipts and order confirmations but did not have the details of the items purchased.
- Two P-card purchases that occurred in December 2015, exceeded the \$1000 per vendor daily limit without obtaining prior approval from the Purchasing Department. Specifically,
 - One P-Card transaction for \$2,550 was for purchase of 30 banquet tickets at \$85 each. Also, the transaction was not supported by a list of participants.
 - One purchase totaling \$1,728 for meals at a restaurant was split into two P-card transactions (\$889 and \$839).
- Disbursement #14330 (for \$1,879.02) was for a field trip to St Augustine. The disbursement was supported by group reservation contract for the hotel that was signed by the activity sponsor instead of the Principal.
- Disbursement #13947 (for \$3,105) and Disbursement #15033 (for \$930) were supported by invoices totaling \$3,085 and \$927 respectively. Consequently, the school overpaid the vendors by a total of \$23.
- Supporting documentation such as invoices/receipts for 19 sample disbursements, totaling \$78,045.75 were not defaced (stamped "PAID") after payment in order to prevent potential duplicate payments.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- To ensure purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- P-Card purchases in excess of \$1,000 require prior approval from the Purchasing Department. Pursuant to ***Purchasing Card Procedures***, “*Splitting an invoice totaling more than \$1,000 is considered Pyramiding and is not allowed. Payment for purchases shall not be split to stay within the single purchase limit.*” The school should not circumvent purchasing rule through splitting large purchase.
- Contractual agreements should be approved by the Principal as required by ***School Board Policy 6.14(4)***, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

Management’s Response

Concur

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that:

- Some of the Adult Education related fees collected during October 2015, December 2015, and April 2016, were not timely transmitted, with delays of 18, 10 and three working days respectively. District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period.
- The review of the school’s records found that Community School related fees for Winter 2016 fees were not transmitted to the Central Office in a timely manner, with a delay of five working days. District procedures require that Community School fees be transmitted to the Central Office within 42 days after the classes begin.

Recommendation

Fees collected from these programs should be timely transmitted to the Central Office in accordance with District's guidelines.

Management's Response

Review of procedures and monies collected and transmitted within 5 working days will be reviewed and carefully monitored to ensure compliance.

LEASING OF SCHOOL FACILITIES

The review of records for leasing of school facilities found that rental charges were not always collected prior to the use of facilities by lessees.

- Lease #1017 was for use of facilities on June 11, 2016; however the \$2,677.90 in leasing charges for this lease had not been collected as of September 2, 2016.
- The leasing charges of \$2,677.90 for Lease #1004 was not collected until 18 days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, ***School Board Policy 7.18***, requires that leasing charges "*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Management's Response

Concur. Follow-up leasing training and discussion around collection of monies at least 48 hours prior to the event is policy. This will be reviewed, monitored, and discussed.

Additional comments

Thanks for your feedback and support and consideration. Ongoing training will take place to ensure future audits are successful.

**Boca Raton High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1501 N.W. 15th Court
Boca Raton, FL 33486

Principal:
Fiscal Year 2016: Geoffrey McKee
During Audit: Suzanne King

Treasurer:
Fiscal Year 2016: Lisa Rivera / Kelly Schroeder
During Audit: Kelly Schroeder

Community School Director:
Fiscal Year 2016: Deborah Nash-Utterback
During Audit: Deborah Nash-Utterback

Cash and Investments

Checking	\$ 585,768.54
Investments	
	\$ 585,768.54

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 74,595.76	\$ 431,356.70	\$ 413,872.47	\$ 102,023.58	\$ 76,578.72	\$ 117,524.85
Music	21,489.17	137,463.60	143,909.39	50,401.56	48,145.55	17,299.39
Classes	6,958.02	14,836.98	11,002.95	8,273.83	9,498.83	9,567.05
Clubs	69,386.25	417,825.61	399,742.91	111,046.16	112,112.66	86,402.45
Departments	154,470.56	298,470.32	290,263.03	73,496.64	68,923.07	167,251.42
Trusts	244,120.39	392,660.58	437,290.96	24,078.67	42,026.96	181,541.72
General	30,223.20	205,784.32	217,791.21	81,170.46	93,205.11	6,181.66
	\$ 601,243.35	\$1,898,398.11	\$1,913,872.92	\$ 450,490.90	\$ 450,490.90	\$ 585,768.54

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- Repeated noncompliances with fundraising procedures were noted for the following three sponsors. The sponsors of the Yearbook Sales (Account # 5-0450.00) and the Football T-shirt Sales (Account #1-2020.01) did not complete the required *Sales Item Inventory Reports*. Also, the sponsor for Prom Admission Ticket Sales (Account #6-4401.00) did not correctly complete the *Ticket Sellers Report*.

	Noncompliance	FY14	FY15	FY16
Employee 1: Yearbook	No <i>Sales Item Inventory Report</i>	√	√	√
Employee 2: Prom	<i>Ticket Sellers Report</i> not completed correctly	√	√	√
Employee 3: Football T-shirts	No <i>Sales Item Inventory Report</i>		√	√

√ - Finding cited

Due to the repeated noncompliances, this finding is referred to the Office of Professional Standards for appropriate action.

- Fundraising documentation were not prepared and retained for two fundraisers: (1) Track T-shirts sales and (2) Yearbook Staff T-shirt sales. Sales collections for both fundraisers were recorded in the primary accounts of both groups.
- The *Sales Item Inventory Reports* for Soccer Girls Go Pink T-shirt sales (Account #6-0900.00) and Class of 2017 – Spring Fling T-shirt sales (Account #3-2017.02) was not reviewed and approved by the Principal.
- MCR #1937-11 was for collection of \$2,490 in entry fees for the February 29, 2016 Water Polo Tournament. However, this event did not have the required *Ticket Sellers Report*.
- The sponsors for the following six fundraisers did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016: (1) Yearbook sales, (2) Yearbook Staff T-shirt sales, (3) School Prom Tickets sales (4) Class of 2017 – Spring Fling T-shirt sales, (5) Football T-shirt sales, and (6) Track T-shirt sales.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- Staff's failure to maintain/prepare the required fundraising documentation violates ***School Board Policy 2.34***, which states "*All Board employees shall faithfully and accurately keep such records as may be required by law, State Board regulations, School Board policy or their supervisor. Such records shall include pupil attendance, property inventory, funds and other types of information. Reports of such records shall be submitted on forms prescribed for such purposes and at designated intervals or dates.*"
- ***School Board Policy 2.62, Section 5.c.iii***, states, "*The failure of a division/department head or school principal to correct audit findings and implement corrective actions shall be addressed and assessed as part of the division/department head's or school principal's annual performance evaluation.*" The school should ensure audit findings are being resolved and will not recur.
- To ensure proper fiscal accountability, *Ticket Sellers Report* and *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away free-of-charge, or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.
- Repeated noncompliance by same sponsors will be forwarded to Professional Standards for appropriate action.

Management's Response

Records were kept though staff involved reported the former bookkeeper told them they did not need to submit those records. Those records are available if requested. The Yearbook was handled by two different teachers. I have met with both and issued written directives to each. Prom had the required documentation in the form of a spreadsheet which was attached to the Ticket Sellers Report. I met with sponsor and gave her a written directive to ensure she continues completing the Ticket Sellers Report. The football coach did not open a fundraiser

or sell t-shirts during Sy16. The Fundraising Application does not have his signature, but instead was opened by our former treasurer and our Athletic Director.

To ensure compliance I have met with each of the teachers involved and reviewed the indicated School Board policies as well as the requirements of the Ticket Sellers Report, Item Inventory Report and Monies Collected Report. I have suggested each individual review the eLearning Fundraiser Training Course. All Fundraising Applications will be compared with the eLearning Fundraiser Training Course completion list to ensure the training has been completed prior to the start of a fundraiser.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Some sponsors did not always record the deposit information on the *Drop-safe Log* before dropping off the monies into the safe. For example, a total of six collections totaling \$4,083 were not recorded by the sponsors on the *Log* (page #s 12-39201, 12-39317, 12-39320, 12-39387, and 12-39396). Instead the deposits were recorded by staff while removing the money from the safe.
- Monies collected were not always deposited in a timely manner. A total of \$1,978 collected from seven MCRs (#s 1919-8, 1919-17, 1919-21, 1919-22, 1919-24, 1932-17, and 1946-5) was retained by the sponsors for one to 18 working days before it was put in the drop-safe for deposit.
- MCRs were not always completed with all the required information. For example, the source of cash collections (i.e., students' names) totaling \$1,314 for dues and banquet fees that were part of four MCRs (#1946-6, #1946-34, #1932-22, and #1917-31) was not indicated.
- Some sponsors did not attach the Official Receipts to the yellow copies of the MCRs when submitting these documents to the school secretary for record retention at the end of the school year.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by **Bulletin #P-14051-S/CFO**, deposit information should be properly recorded on the *Drop-safe Log*.
- The **Internal Accounts Manual** requires that monies collected be put in the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- Monies collected should be supported by MCRs with all the required information, including the account number, remitter's signature, payer's name, dollar amount, and check number when appropriate.
- As required by the **Sponsor's Checklist of Responsibilities** in the **Internal Accounts Manual, Chapter 7**, Teacher/sponsors should "*compare the yellow copy of the MCR against the official receipt to confirm that funds were properly credited to the school's accounting records.*"

Management's Response

Concur. I have met with each teacher and reviewed the requirement for the Monies Collected Report and the monies collection process. Specifically, the money collected must be deposited the same day and the importance of completing the MCR with all the required information.

SEGREGATION OF DUTIES

Finding

During the audit, some incoming mails were sorted and distributed by staff other than the treasurer; but those mails addressed to the treasurer were given to her for opening and processing.

Recommendation

To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by a staff member other than the school treasurer. Payments, if any, received in the mails should be recorded on a Monies Collected Report (MCR) by the staff who opens the mail, prior to placing the collection in the drop-safe.

Management's Response

Concur. All mail addressed to our Treasurer or appears to be a check will be given to my Confidential Secretary for opening. Checks received will be deposited by the Confidential Secretary.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of records for sample disbursements and P-Card purchases found that four disbursements (#62302 for \$13,955, #61633 for \$6,692.62, #59753 for \$1,955, and #59818 for \$1,370.77, totaling \$23,973.39) exceeded the \$1,000 *Purchase Order* threshold. However, none of these disbursements had the required *Purchase Orders*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, pursuant to the District's *Purchasing Manual* and *Internal Accounts Manual*, all Internal Funds purchases require (1) Principal's approval prior to the purchase being made; and (2) *Purchase Orders* should be issued for purchases in excess of \$1,000.

Management's Response

#62302 for \$13,955 and #59753 for \$1,955 are covered by Fundraiser applications. #61633 for \$6,692.62 was for Boys' Basketball and I have met with the Coach and reviewed the PO requirements. However, the check covered three separate invoices, Invoice 973546, Invoice 929854, and invoice 943006. #59818 for \$1,270.77 was for boys' Baseball for which we have had a change of coach. My Athletic Director, Treasurer, and I will meet with all coaches to review PO requirements.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that Lease #1031 was for leasing of the school's swimming pool. However, the school did not allocate and transmit the \$375 (50% of the rental) District Share to the Central Office. Instead, the utility fee was included in the school's Pool Lease Fund Account (#6-5501).

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policies 7.18, 7.185* and related District guidelines. Specifically, the school should transmit the \$375 District Share to the Central Office.

Management's Response

Concur. School Board Policy 7.165 outlining the Community Use of School Board Swimming Pool Facilities, Section 7c, was reviewed as well as School Board Policies 7.18 and 7.185 and the funds will be transmitted as required in December and June.

Boynton Beach High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 4975 Park Ridge Boulevard
Boynton Beach, FL 33426

Principal:
Fiscal Year 2016: Fred Barch
During Audit: Fred Barch

Treasurer:
Fiscal Year 2016: Beth Bauer
During Audit: Beth Bauer

Community School Director:
Fiscal Year 2016: Karena Wright
During Audit: Karena Wright

Cash and Investments

Checking	\$ 144,418.27
Investments	
	\$ 144,418.27

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 23,008.36	\$ 113,799.76	\$ 130,340.14	\$ 47,920.05	\$ 44,374.26	\$ 10,013.77
Music	4,153.81	115,533.09	113,452.47	12,730.19	11,254.55	7,710.07
Classes	1,410.61	32,384.98	27,717.14	9,188.66	9,775.66	5,491.45
Clubs	7,310.13	39,484.23	34,618.90	16,643.34	17,019.84	11,798.96
Departments	41,622.24	228,482.39	219,813.22	72,604.14	74,809.72	48,085.83
Trusts	42,915.97	179,472.48	159,724.76	3,842.58	4,845.08	61,661.19
General	1,089.60	8,199.53	8,782.28	1,506.07	2,355.92	(343.00)
	\$ 121,510.72	\$ 717,356.46	\$ 694,448.91	\$ 164,435.03	\$ 164,435.03	\$ 144,418.27

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- MCR #939-9 was attached with nine *Classroom Receipts* (#13-238710 through #13-238718) for a total collections of \$200. However, this MCR listed only eight collections for a total of \$190; and the other \$10 collected through *Classroom Receipt* #13-238715 was missing.
- The school did not perform the required monthly inventory check of the *Drop-safe Logs*.

Recommendation

To ensure proper fiscal accountability, money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and related District guidelines. Specifically,

- The school treasurer should verify the accuracy of monies turned in by sponsors for deposit prior to entering records into the General Ledger. Discrepancies between the amount of monies turned in and the amount on related collection records should be investigated and resolved accordingly.
- As required by *Chapter 27 of the Internal Accounts Manual*, *Drop-safe Log* should be inventory-checked monthly and documented on the *Prenumbered Document Inventory Register* (PBSD 0160).

Management's Response

Concur. Treasurer will balance classroom receipts with monies collected reports prior to processing. Drop safe logs will be inventoried monthly.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

Boynton Beach High School
Management Letter
Year Ended June 30, 2016

- The sponsors for three fundraisers did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2015: (1) Athletics Football Discount Cards, (2) Cheer Decals, and (3) P.E. Uniforms Sales.
- The Athletics-Football Discount Cards (Account #1-2020.05) fundraiser had the following noncompliance:
 - There was no payment records for the purchase of the Discount Cards. According to staff, the vendor was paid with the money collected from the sales, instead of paying the vendor with a school check.
 - 16 Discount Cards, with an estimated resale value of \$320, were given-away free-of-charge without documentation.
 - The *Sales Item Inventory Report* was not approved by the Principal.
- The P.E. Uniforms Sales (Account #5-1900.01) did not have the required *Sales Item Inventory Report*.
- The Recap Section (actual sales) of the *Fundraising Application/Recap Forms* for three fundraisers were neither completed by the sponsor nor verified by the school treasurer after the fundraiser event: (1) Athletics Football Discount Cards, (2) Class of 2015 Enjoy the City Coupon Books, and (3) P.E. Uniforms Sales.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. Specifically,

- To ensure staff understand and comply with the fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.
- Pursuant to ***DOE Rules, Section III – 1.4(c)***, “*all money collected must be deposited intact to a depository...*” Disbursements should be made with school checks and processed through the Internal Funds Accounting System.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements as specified in ***Bulletin #P-12690-CAO/COO/P*** for gift cards, that “*schools must maintain documentation of all recipients of gift cards.*” Records for give-away items should include the purposes and the names of recipients.

Boynton Beach High School
Management Letter
Year Ended June 30, 2016

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy, if any, between the estimated revenue and actual collection should be investigated and resolved accordingly.
- Fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser Application/Recap Form* at the end of the fundraiser. The sales revenues should be reconciled to the Internal Funds accounting records.

Management's Response

Concur. PE Uniform and Enjoy the City fundraisers were completed 6/3-6/4 respectively. The Football discount card fundraiser could not be verified by the treasurer because the sponsor did not comply with policy. Teacher, coaches and all fundraisers were instructed to complete eLearning lessons prior to fundraiser.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- The *Consultant Agreement* for Disbursement #11248 (for \$5,760) was not approved by the Principal and the consultant's signature was not dated.
- Disbursement #11289 (for \$2,100) was for payment of a consultant for mural painting without the required *Consultant Agreement (PBSD 1420)*.
- Disbursements #11584 (for \$5,268) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly

executed with all the required dated signatures, and (2) the consultant's background and clearance check must have been conducted and cleared as required by *Section 8 of the Agreement* and **Florida Statutes §1012.465**.

- Pursuant to the District's **Purchasing Manual** and **Internal Accounts Manual**, all Internal Funds purchases require (1) Principal's approval prior to the purchase being made; and (2) *Purchase Orders* should be issued for purchases in excess of \$1,000.

Management's Response

Contract was not approved by me because it was originated and executed prior to my arrival. Consultant completed work prior to my arrival. Consultant contract was completed for mural painting at stadium. The lift rental was not included with contract but paid together. All POs over \$1000 will have appropriate POs.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that three *Lease Agreements* (#1039, #1040 and #1041) were not signed by the lessees. Same noncompliance was also noted in the previous year (2014) Audit.

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- **School Board Policy 2.62, Section 5.c.iii**, states, "*The failure of a division/department head or school principal to correct audit findings and implement corrective actions shall be addressed and assessed as part of the division/department head's or school principal's annual performance evaluation.*" The Principal should ensure audit findings will not be repeated.

Management's Response

The person responsible for lease agreements was written up with required documentation and removed from his position as a result of noncompliance.

**Forest Hill High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6901 Parker Avenue
West Palm Beach, FL 33405

Principal:
Fiscal Year 2016: Mary Stratos
During Audit: Mary Stratos

Treasurer:
Fiscal Year 2016: Connie Rider
During Audit: Connie Rider

Community School Director:
Fiscal Year 2016: Jay Darr
During Audit: Todd Bolar

Cash and Investments

Checking	\$ 138,726.96
Investments	
	\$ 138,726.96

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 11,972.66	\$ 93,294.60	\$ 102,687.20	\$ 44,351.43	\$ 43,708.02	\$ 3,223.47
Music	4,740.82	23,761.41	22,544.51	6,879.22	6,379.22	6,457.72
Classes	3,839.62	96,004.06	80,990.34	25,036.87	35,964.78	7,925.43
Clubs	30,188.00	99,389.11	103,793.67	23,277.22	25,005.97	24,054.69
Departments	31,619.34	69,306.87	78,848.29	22,631.50	13,701.91	31,007.51
Trusts	107,182.34	385,165.82	426,306.78	108,001.76	105,515.50	68,527.64
General	1,445.34	(1,818.21)	2,194.03	249.28	151.88	(2,469.50)
	\$ 190,988.12	\$ 765,103.66	\$ 817,364.82	\$ 230,427.28	\$ 230,427.28	\$ 138,726.96

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation found that:

- The sponsors of the following three fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
ESA T-Shirt Sales	#5-0050.01	9/3/2105	Did not complete
Yearbook	#5-0450.01	9/1/2015	Dis not complete
T-Shirt Sales – CJ	#5-9988.02	9/17/2015	Did not complete

- A total of \$63 in sales revenue was deposited into Internal Funds for the T-shirt Sales-C.J. (Account #5-9988.02). However, based on the school’s purchasing records, *Sales Item Inventory Report*, and physical inventory count during the audit, this resale activity should have generated a total estimated revenue of \$504. As a result, \$441 (\$504 - \$63, or 88%) in estimated revenue was unaccounted for.
- A total of \$965 in sales revenue was deposited into Internal Funds for the ESA T-shirt Sales (Account #5-0050.01). However, based on the school’s purchasing records, and *Sales Item Inventory Report*, this resale activity should have generated a total estimated revenue of \$1,075. As a result, \$110 (\$1,075 - \$965, or 10%) in estimated revenue was unaccounted for.
- The *Sales Item Inventory Report* for the T-shirt Sales-Boys Basketball (Account #6-0350.04) was not approved by the Principal and was incomplete. Missing information included beginning and ending inventories and purchases.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Forest Hill High School
Management Letter
Year Ended June 30, 2016

- Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly. All monies raised through fundraisers should be accounted for properly.
- To ensure proper fiscal accountability, *Sales Item Inventory Reports* should be completed with accurate information for each fundraiser in order for staff to reconcile the sales revenue with the estimated revenue. The *Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away.

Management's Response

Concur. Fundraisers will be conducted in accordance with School Board Policy 2.16 and all faculty, staff and administrators will be directed to complete the required training for compliance.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that, five P-card purchases (totaling \$777.99) which occurred during February 2016 were not supported with an invoice or itemized receipt.

Recommendation

Disbursement procedures should be administered in accordance with ***Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)***, and related District guidelines. Specifically, all disbursements and P-Card purchases should be supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management's Response

Concur. Disbursement procedures will be followed as per Internal Accounts Manual, Purchasing Card Procedures, Purchasing Manual Chapter 24 by the school treasurer and the Adult Education Assistant Principal.

ADULT AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs records found that the school did not transmit the program fees to the Central Office in a timely manner. Specifically,

- Adult General Education Fees should be transmitted to the Central Office within five working days after the end of each month. The fees collected during nine of 11 months were not timely transmitted to the Central Office, with delays ranging from 27 to 214 days.
- Community School fees should be transmitted to Central Office within 42 days after classes begin. The Fall 2015 and Spring 2016 Community Program fees were not transmitted timely to the Central Office, with delays of 15 and 36 days respectively.

Recommendation

To provide the Central Office with immediate available funds for Adult Education and Community School Programs, fees collected for these programs should be transmitted timely to the Central Office in accordance with District's guidelines.

Management's Response

Concur. The Adult Education Assistant Principal will follow procedures as outlined by the school district to ensure compliance.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facility leasing found that:

- Leasing charges for three leases (#1039, #1046, and #1048) were not collected from the lessees until 50 to 51 days after the leasehold periods began.
- The leasehold period for *Lease Agreement* #1046 began on June 4, 2016. However, the *Agreement* was not approved by the Principal and signed by the lessee until June 6, and June 15, 2016, respectively, i.e., 2 and 11 days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- ***School Board Policy 7.18***, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”
- To protect the best interest of the School District and ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures prior to the use of facilities by lessees.

Management’s Response

Concur. The Assistant Principal for Adult and Community Education will comply in accordance with School Board Policy 7.18 and related district guidelines. All lease agreements will be properly executed.

Additional comments

All district guidelines and procedures according to school board policy will be enforced and administered by the Assistant Principal for Adult and Community Education and the School Treasurer.

**Glades Central High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1001 SW Avenue "M"
Belle Glade, FL 33430

Principal:
Fiscal Year 2016: Angela Avery-Moore
During Audit: Angela Avery-Moore

Treasurer:
Fiscal Year 2016: Karen Orsenigo
During Audit: Karen Orsenigo

Community School Director:
Fiscal Year 2016: Mitsie Johnson
During Audit: Mitsie Johnson

Cash and Investments

Checking	\$ 146,129.26
Investments	
	\$ 146,129.26

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 7,932.44	\$ 131,533.80	\$ 139,295.24	\$ 58,130.83	\$ 44,125.39	\$ 14,176.44
Music	44,661.13	33,406.24	78,943.24	59,881.83	58,878.99	126.97
Classes	3,207.97	70,494.40	70,499.92	9,184.20	9,731.25	2,655.40
Clubs	5,176.82	55,011.10	53,062.63	12,797.56	9,457.99	10,464.86
Departments	7,411.64	18,428.88	16,280.85	2,527.50	1,786.00	10,301.17
Trusts	42,584.47	199,338.27	88,679.27	435.00	44,436.55	109,241.92
General	142.09	22,780.21	49,219.05	47,242.76	21,783.51	(837.50)
	\$ 111,116.56	\$ 530,992.90	\$ 495,980.20	\$ 190,199.68	\$ 190,199.68	\$ 146,129.26

DOCUMENTATION FOR FUNDRAISER

Finding

The review of fundraiser records found that for the Candy Sale Fundraiser (Account #5-0750.60):

- Fundraiser activities began July 7, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until March 10, 2016, nine months after fundraiser activities began.
- The *Sale Item Inventory Report* was not signed by the sponsor or approved by the Principal.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- Fundraiser sponsor should complete the *Sales Item Inventory Report* with accurate information for the fundraising activity. To account for items given-away free-of-charge or missing the *Report* should be approved by the Principal.

Management's Response

Concur. Will check to see if sponsors have completed the eLearning course before a fundraiser is approved. I will work closely with the Bookkeeper to ensure better systems are in place to ensure we are following district policy.

DOCUMENTATION FOR DISBURSEMENT

Finding

The review of records for sample disbursements and P-Card purchases found that:

- Two disbursements totaling \$2,644.95 (#12596 for \$1,055 and #12943 for # 1,589.95) exceeded the \$1,000 *Purchase Order* threshold but did not have the required *Purchase Order*.
- Disbursement #13163 (for \$ 209.15) was for travel reimbursement of mileage expenses for transporting the students to compete in the Academic Games. However, the related *Field Trip/Activity Planning and Approval Request Form* (PBSD1894) was neither completed nor approved by the principal.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- A *Purchase Order* approved by the Principal is required for all purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- Field trips should be administered in accordance with *School Board Policy 2.40*. All field trips should be pre-approved by the Principal with adequate documentation.

Management's Response

Concur. I will follow the district's policy as it relates to purchase orders. I will put a better system in place to monitor approval of all school based field trips.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- The school did not have the hard copy of Lease #1033 with all the required signatures. Also, a draft copy of Lease #1002 was used to record the signatures of the lessee and witness instead of the final lease which included the Principal's electronic approval.
- Leasing charges for Lease # 1031 was not collected prior to the use of facilities with a delay six working days.

Recommendation

- To ensure Lease Agreements are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed Lease Agreement for future reference.
- ***School Board Policy 7.18*** requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.*”

Management’s Response

Concur. I will make sure we are following the district’s policy as it relates to leases.

**John I. Leonard High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4701 10th Avenue North
Greenacres, FL 33463

Principal:
Fiscal Year 2016: Edward Tierney
During Audit: Edward Tierney

Treasurer:
Fiscal Year 2016: Maria Luna
During Audit: Maria Luna

Community School Director:
Fiscal Year 2016: Theomane Dorleans
During Audit: Theomane Dorleans

Cash and Investments

Checking	\$ 204,678.09
Investments	
	\$ 204,678.09

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$ 171,209.62	\$ 159,882.74	\$ 28,470.01	\$ 30,375.51	\$ 9,421.38
Music	11,417.13	148,783.74	154,633.66	48,131.56	47,116.56	6,582.21
Classes	20,872.07	50,409.02	53,485.14	15,678.38	14,978.38	18,495.95
Clubs	22,605.05	93,638.16	90,448.22	39,556.45	40,474.34	24,877.10
Departments	76,776.61	146,338.08	148,507.54	62,547.39	61,062.77	76,091.77
Trusts	67,228.15	226,275.73	221,381.45	10,026.00	10,404.27	71,744.16
General	78.31	8,936.21	11,551.04	6,554.16	6,552.12	(2,534.48)
	\$ 198,977.32	\$ 845,590.56	\$ 839,889.79	\$ 210,963.95	\$ 210,963.95	\$ 204,678.09

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The *Drop-safe Log* was not always completed with all the required information. Specifically, *Section 3* on each of three pages (#s 12-03267, 12-03268 and 12-03269) was not initialed by the verifier after the deposit information was entered in the school's accounting system.
- Numerous collections were marked "gave back to sponsor" were not ready for deposit, and were returned to sponsors for clarification. However, there was no records to document that the monies were returned to and received by the sponsors.
- Monies collected were not always deposited in a timely manner. For example, \$615 collected through seven MCRs (#810-4, #810-13, #810-5, #859-13, #859-16, #920-8 and #920-9), was retained by the sponsors for one to 11 working days before the money was put into the drop-safe for deposit.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections are returned to them for clarification.
- *DOE Rules* and District *Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in unintended irregularities.

Management's Response

Concur. We have a new person doing the drop safe log. Our principal has spoken to our sponsor about dropping on a timing manner.

SEGREGATION OF DUTIES

Finding

During the audit, we noted that the school treasurer was performing incompatible duties. Specifically,

- The school secretary was the assigned Document Custodian for the *Drop-safe Log*. However, the school treasurer maintained the blank (unused) *Drop-safe Logs*.
- Incoming mails were sorted and distributed by someone other than the school treasurer. However, payments received in the mail and incoming mails addressed to the treasurer were also opened by her for processing.

Recommendation

To ensure fiscal accountability and prevent potential irregularities, segregation of duties should be enforced. Specifically,

- The Document Custodian for the *Drop-safe Log* should (1) maintain the blank *Drop-safe Log*, and (2) use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm and account for the inventory of the *Log*.
- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to depositing the payments into the drop-safe.

Management's Response

Concur. The drop safe log has been moved out of the treasurer's office. The treasurer no longer opens incoming mail.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The sponsors for two fundraisers did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2016: (1) Girls Basketball Pizza Cards Sales and (2) Athletic General Concessions Sales.
- The financials for the Yearbook sales were recorded in the primary Campus-Yearbook account (Account 5-0450.00) instead of a decimalized account for sales.

Recommendation

Fundraisers should be managed in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. Fundraiser account should include all needed and accurate financial information.

Management's Response

Concur. My principal will not sign a fundraiser without having a copy of the eLearning fundraiser training course. We opened a decimalized account for Yearbook sale this year.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Two disbursements (totaling \$2,133.77) did not have adequate documentation for the expenditures:

John I. Leonard High School
Management Letter
Year Ended June 30, 2016

- Disbursement #273967 (for \$1,878.77) was for staff reimbursement for student meals and fundraiser expenses. However, \$507.89 of the reimbursement was supported by a credit card receipt which didn't include the details of the expenditure.
- Disbursement #272761 (for \$255) was for fundraiser expenses, which was supported by the fundraiser sales activity tracking list instead of an invoice from the vendor.
- Four P-Card purchases, totaling \$762.89, occurred during December 2015, did not have supporting documentation for the expenses. The P-Card holder completed the *Purchasing Card Missing Receipt Reports* to document the missing receipts.
- One P-Card purchase for \$1,100.75 (occurred on December 7, 2015) exceeded the \$1,000 per vendor per day limit, but did not have the prior approval from Purchasing.
- The *Purchase Orders* for two disbursements (# 272835 for \$5,944, and #274037 for \$3,907.59) were not approved by the Principal until 8 and 12 working days, respectively, after the merchandise order dates.
- Two P-Card transactions during December 2015, totaling \$82.10, were tax-exempt purchases put the school paid a total of \$3.60 in sales tax.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- Expenditures should be adequately supported by itemized invoices/receipts. Without adequate supporting documentation and proper supervisor approval, there is no assurance that the expenses were appropriate.
- P-Card purchases in excess of \$1,000 requires prior approval of Purchasing.
- *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. All purchases should be pre-approved by the Principal.
- The School District is a sales tax-exempt governmental entity, and should not pay sales tax for eligible purchases.

Management's Response

Concur. We are asking our sponsors to have a quote before ordering their items for PO over a 1,000.00 dollars.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- The school did not always allocate the rental fees in accordance with District's guidelines. Specifically, the school under-allocated and under-transmitted a total \$167.10 in sales tax to the Central Office for Leases #1015, and #1021.
- The school did not have the hard copy for *Lease Agreement* #1021 with all the required signatures.
- The *Certificate of Insurance* for *Lease Agreement* #1021 did not include the School Board as an additional insured party for liability coverage. In addition, the insured's name on the *Certificate of Insurance* for Lease #1013 is different from the Lessee's name.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- Sales tax should be recorded properly in the Internal Funds account and be transmitted to the Central Office in accordance with the *Approved Rate Schedule*.
- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording the leasing activities in the Tririga System.
- ***School Board Policy 7.18 states, 'lessees must provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as a certificate holder and an additional insured, with the Lease Agreement or purchase liability insurance from the School District.'***

John I. Leonard High School
Management Letter
Year Ended June 30, 2016

Management's Response

All collected sales taxes will be properly transmitted to the Central Office. All certificate of liability insurance will be verified to reflect the lessee as the insured.

Additional Comments

The ACT Certificate Liability Insurance was provided by the District.

Jupiter High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 500 North Military Trail
 Jupiter, FL 33458

Principal:
 Fiscal Year 2016: Daniel Frank
 During Audit: Coleen Iannitti

Treasurer:
 Fiscal Year 2016: Peggy Groh
 During Audit: Peggy Groh

Community School Director:
 Fiscal Year 2016: Suzanne Smith
 During Audit: Suzanne Smith

Cash and Investments

Checking	\$ 663,267.82
Investments	
	\$ 663,267.82

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 104,774.86	\$ 334,833.42	\$ 350,639.61	\$ 177,297.40	\$ 116,471.40	\$ 149,794.67
Music	2,006.80	40,363.05	41,123.44	12,851.03	12,701.03	1,396.41
Classes	38,979.94	161,613.35	135,223.97	15,964.77	38,082.40	43,251.69
Clubs	73,483.41	257,608.19	267,848.50	91,822.33	90,957.39	64,108.04
Departments	153,156.39	319,573.76	305,583.56	91,813.36	87,615.22	171,344.73
Trusts	208,683.32	837,070.21	788,318.80	191,746.44	232,105.89	217,075.28
General	28,463.80	56,462.54	65,067.34	59,020.00	62,582.00	16,297.00
	\$ 609,548.52	\$2,007,524.52	\$1,953,805.22	\$ 640,515.33	\$ 640,515.33	\$ 663,267.82

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The *Sales Item Inventory Report* for the General Activities Parking Decals (Account #7-0100.01) contained inaccurate information. The school's accounting and sales records indicated that 660 student parking decals were purchased for resale of which 535 decals were sold. This resale activity should have generated a total revenue of \$42,590. However, only \$40,905 in sales revenue was deposited into the Internal Funds. As a result, \$1,685 (\$42,590 - \$40,905, or 4%) in revenue was unaccounted for. Moreover, 125 unsold decals, with a resale value \$10,000, could not be accounted for.
- The *Sales Item Inventory Report* for One Tribe T-shirt Sales (Account #4-3806.01) was not reviewed and approved by the principal.
- The *Fundraising Application/Recap Forms* for Parking Decals (Account #7-0100.01) and One Tribe T-shirt Sales (Account #4-3806.01) were undated. We were unable to determine if the principal approved the fundraiser prior to the activities.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly, especially for the repeated noncompliance. All monies raised through fundraisers should be accounted for properly.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the ending inventory, if any.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented on the *Fundraising Application/Recap Form*. Most importantly, non-approved fundraisers could subject the school to unwanted liabilities and unfunded debts.

Management's Response

Concur. Follow District procedures.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that:

- The school paid a total \$23,615.55 (Disbursements #21366 for \$8,000, #21367 for \$14,186.55, and #21558 for \$5,429) to purchase uniform pieces for the marching band and dance team. The eleven invoices totaled \$23,142.56. Several invoices were paid twice by a staff member and reimbursed after the school had paid the vendor. Consequently, the school overpaid the company for the uniforms \$4,472.99 (\$23,615.55 - \$23,142.56). Moreover, these eleven invoices were dated between September 30, 2014 and October 29, 2015, but were not processed for payment until December 16, 2015 (as long as 15 months).
- Four disbursements totaling \$9,645 (#22196, #23221, #23222 and #23238) were supported by *School District Consultant Agreements (PBSD 1420)* for various consultants performing services as DJs and coaches. However, these disbursements were not supported by invoices from the consultants indicating the dates and times of services.
- Disbursement (#23315 for \$17,865) was for repair of the stadium's artificial turf system. This purchase exceeded the \$5,000 threshold that required quotes from vendors. There was no evidence that quotes had been obtained.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- The school should contact the vendor to recoup the \$4,377.14 in overpayment. Also, all expenses should be adequately documented and supported by itemized invoices and receipts. To ensure accurate and timely financial reporting and compliance with *Florida Prompt Payment Act*, the school should timely process payments for all invoices.
- Payments to consultants should be adequately supported by invoices or statements indicating the dates and times of services delivered.
- *School Board Policy 6.14, 5.c.ii.A*, states “Competitive quotes shall be requested from three (3) or more sources for commodities and contractual services when requisitioning any item or group of similar items exceeding five thousand dollars (\$5,000) except as exempted by State Board of Education Rule 6A-1.012 or other applicable laws.” The school should comply with the District competitive bidding requirement for purchases in excess of \$5,000.

Management's Response

Concur. Follow District procedures.

LEASING OF SCHOOL FACILITIES

Finding

The review of school facility leasing records found that *Lease Agreement #1037* was neither signed by the lessee nor a witness.

Recommendation

To protect the best interest of the School District, *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.

Concur. Follow District procedures.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of the accounting period. The related fees collected during nine of the ten months during School Year 2016 were not timely transmitted to the Central Office. Delays ranged from five to 64 working days.

Recommendation

In order to provide timely funding for Adult Education personnel and other related expenses, all fees should be transmitted to the Central Office within five business days after the close of the accounting period.

Management's Response

Concur. Follow District procedures.

**Lake Worth High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1701 Lake Worth Avenue
Lake Worth, FL 33460

Principal:
Fiscal Year 2016: George Lockhart
During Audit: George Lockhart

Treasurer:
Fiscal Year 2016: Mona Francois
During Audit: Mona Francois

Community School Director:
Fiscal Year 2016: Pete DiDonato / Vincent Taormina
During Audit: Vincent Taormina

Cash and Investments

Checking	\$ 369,860.74
Investments	
	\$ 369,860.74

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 31,063.78	\$ 153,638.00	\$ 151,296.76	\$ 40,910.11	\$ 40,983.11	\$ 33,332.02
Music	6,990.07	11,808.00	16,268.67	3,152.65	2,997.65	2,684.40
Classes	23,153.30	56,743.24	55,720.91	11,982.62	12,564.88	23,593.37
Clubs	22,304.56	32,906.73	37,252.50	16,573.88	13,656.44	20,876.23
Departments	72,944.77	100,990.31	87,505.07	23,183.41	24,593.16	85,020.26
Trusts	211,366.63	515,412.71	527,694.45	103,039.08	104,058.51	198,065.46
General	7,660.58	7,971.91	9,355.49	7,517.00	7,505.00	6,289.00
	\$ 375,483.69	\$ 879,470.90	\$ 885,093.85	\$ 206,358.75	\$ 206,358.75	\$ 369,860.74

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsors for the Wrestling Snack Sales (Account #1-7510.02), Yearbook Sales (Account 5-0540.02), and one of the three sponsors for PE Uniform Sales (Account #5-1900.01) fundraisers did not complete the required eLearning Fundraiser Training Course during Fiscal Year 2015.

Recommendation

To ensure staff understand and comply with the fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course prior to conducting fundraising activity.

Management's Response

Concur. LW will follow suggested recommendations.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that:

- The school had five District's P-Cards. The review of the P-Card activities noted three instances of splitting purchases into multiple smaller dollar purchases in order to circumvent the District's \$1,000 per-day-per-vendor rule:
 - May 12, 2015: The purchase of \$1,961.20 in books for the media center was split into two transactions (\$974.10 and \$987.10) and charged to two different P-Cards.
 - May 16, 2015: The purchase of 30 computer hard drives, totaling \$2,930, was split into three transactions (\$950, \$990, and \$990) and paid with three different P-Cards.
 - May 22, 2015: The purchase of 18 computer hard drives, totaling \$1,584, was split into two transactions (\$792 each) and paid with two different P-Cards.
- A \$316.74 P-Card transaction occurred on May 7, 2015, was supported by an invoice for \$303.87. As a result, the school overpaid the vendor by \$12.87.

Lake Worth High School
Management Letter
Year Ended June 30, 2016

- The *Purchase Orders* for two disbursements (#13649 for \$8,000, and #14684 for \$1,580) were approved with the Principal's signature stamp in lieu of his manual signature.
- Disbursement #13949 (for \$3,346) was for payment of a purchase made on October 31, 2014. However, the *Purchase Order* was neither prepared by staff nor approved by the Principal until December 17, 2014.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and the related District guidelines. Specifically,

- P-Card purchase in excess of \$1,000 requires prior approval from the Purchasing Department. In addition, *Purchasing Card Procedures* provide that, "*Splitting an invoice totaling more than \$1,000 is considered Pyramiding and is not allowed. Payment for purchases shall not be split to stay within the single purchase limit.*" The school should not split large purchase in order to circumvent purchasing rule.
- To ensure that purchases are appropriate, disbursements and P-Card purchases should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- *Purchase Orders* approved by the Principal are required for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase. Moreover, all purchases should be preapproved by the Principal.
- All financial transactions, including *Purchase Orders*, should be approved with the Principal's manual signature.

Management's Response

Concur. LW will follow suggested recommendations.

LEASING OF SCHOOL FACILITIES

Finding

The school recorded 32 leasing arrangements in the Tririga System during the year. The review of the leasing records found that:

Lake Worth High School
Management Letter
Year Ended June 30, 2016

- 31 of them did not have the required hardcopy of the *Lease Agreements*. Moreover, the hardcopy for *Lease Agreement* #0691 was not signed by the lessee.
- Lease #1002 was not approved by the Principal until 25 days after the leasehold period began. Lease #1021 was not approved by the Principal.
- Charges for two leases (#1002 and #1007) were not collected prior to the use of facilities, with delays of 16 and 115 days respectively.
- Lease #1018 did not pay sales tax; however, it did not have proof of tax exemption.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures, prior to the use of facilities by lessees. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.
- *School Board Policy 7.18*, requires that “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”
- Proof of tax-exempt status should be provided by lessee and documented in file in order to qualify for sales tax exemption. Sales tax collected from commercial leases should be recorded in the Florida Sales Tax Payable Account (#6-1800) and transmitted to the Central Office accordingly.

Management’s Response

Concur. LW will follow suggested recommendations.

PRENUMBERED DOCUMENTS

FINDING

A review of the schools prenumbered document inventories revealed that:

- The *Document Custodian Assignment Register* (PBSD 1663) was signed by using the Principal’s signature stamp instead of his manual signature.

Lake Worth High School
Management Letter
Year Ended June 30, 2016

- The school did not maintain the *Prenumbered Document Inventory Register* (PBSD 0160) for prenumbered tickets.

Recommendation

To ensure proper fiscal accountability and as required by *Chapter 27 of the Internal Accounts Manual*, the *Document Custodian Assignment Register* must be completed each year with persons assigned to account for prenumbered forms. The custodian should be someone who is not involved in the day-to-day use of the form. Each assigned custodian shall use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory of the prenumbered forms.

Management's Response

Concur. LW will follow suggested recommendations.

**Olympic Heights High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 20101 Lyons Road
Boca Raton, FL 33434

Principal:
Fiscal Year 2016: Dave Clark
During Audit: Dave Clark

Treasurer:
Fiscal Year 2016: Bertha Beltran
During Audit: Concetta DelSorbo

Community School Director:
Fiscal Year 2016: Stacey Belton
During Audit: Stacey Belton

Cash and Investments

Checking	\$ 421,937.17
Investments	
	\$ 421,937.17

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 44,084.79	\$ 221,931.05	\$ 198,975.21	\$ 81,446.31	\$ 88,245.33	\$ 60,241.61
Music	5,650.70	81,225.79	87,709.76	36,166.32	28,708.61	6,624.44
Classes	14,397.26	93,036.94	66,448.14	11,564.04	28,143.92	24,406.18
Clubs	46,466.19	144,592.54	138,186.70	21,253.23	20,751.05	53,374.21
Departments	105,736.00	135,598.30	158,399.44	50,805.74	32,400.69	101,339.91
Trusts	141,773.23	557,811.19	529,263.75	95,425.69	99,588.54	166,157.82
General	6,035.47	21,672.53	19,091.81	18,808.91	17,632.10	9,793.00
	\$ 364,143.64	\$1,255,868.34	\$1,198,074.81	\$ 315,470.24	\$ 315,470.24	\$ 421,937.17

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that the school's 2016 *End-of-the-Year Check Out Form* included the wrong instruction that informed staff to submit all yellow copies of MCRs to the school treasurer.

Recommendation

As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teachers/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*"

Management's Response

Concur. Additional training for teacher/sponsors will be held during pre-school to address the issue.

DOCUMENTATION FOR FUNDRAISERS

Finding

The sponsor for the Parking Decals fundraiser (Account #7-0100.02) did not complete the eLearning Fundraiser Training course for Fiscal Year 2016.

Recommendation

To ensure staff is familiar with and comply with the fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management's Response

Concur. The administrator who is in charge of this fundraiser has completed the training.

DOCUMENTATION FOR DISBURSEMENTS

Finding

Disbursement #36467 (for \$1,000) was for paying for a choreographer for the Spring Musical. However, the related *School District Consultant Agreement (PBSD 1420)* was not approved by the Principal until 128 days after services began.

Recommendation

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.

Management's Response

Concur. All sponsors have been informed and retrained on this policy. All consultant contracts will be signed prior to services being rendered.

ADULT AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs records found that:

- The school has not received the payment for the period April 4 through April 13, 2016 (totaling \$1,182.19) from the online registration and payment processor for Community School, Active Network.
- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. The review of community school's accounting records found that the school did not transmit the fees timely to the Central Office, with delays ranging from one to nine days.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

Olympic Heights High School
Management Letter
Year Ended June 30, 2016

- The school should recoup the \$1,182.19 in payment it is entitled to. Community School personnel should reconcile registration records in a timely manner.
- In accordance with District's guidelines, all Community School tuition fees should be transmitted to the Central Office within six weeks (42 days) in order to provide timely funding for Community School personnel and other related expenses.

Management's Response

Concur. This is an issue with the Active Network System that we are trying to resolve. It is my understanding that other schools are experiencing similar issues.

Pahokee Middle/Senior High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 900 Larrimore Road
Pahokee, FL 33476

Principal:
Fiscal Year 2016: Adrian Ocampo (High School) / Michael Aronson (Middle School)
During Audit: Michael Aronson (High School) / Dwayne Dennard (Middle School)

Treasurer:
Fiscal Year 2016: Brandi Ingram
During Audit: Brandi Ingram

Cash and Investments

Checking	\$ 50,310.30
Investments	
	\$ 50,310.30

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 4,710.87	\$ 103,934.83	\$ 144,573.38	\$ 39,419.16	\$ 3,491.48	\$0.00
Music	1,246.00	5,866.30	9,450.77	2,338.47	0.00	0.00
Classes	2,737.95	57,758.00	55,230.66	6,054.65	8,759.44	2,560.50
Clubs	14,506.65	38,727.00	43,162.21	12,138.45	9,335.39	12,874.50
Departments	7,244.46	20,375.00	22,576.60	11,452.83	8,136.75	8,358.94
Trusts	70,073.89	167,223.01	174,754.54	8,247.99	44,194.81	26,595.54
General	4,822.89	5,450.60	4,618.99	3,998.76	9,732.44	(79.18)
	\$ 105,342.71	\$ 399,334.74	\$ 454,367.15	\$ 83,650.31	\$ 83,650.31	\$ 50,310.30

Note: Pahokee Middle-Senior High School operates a unique model of two separate campuses with one shared bank account and one shared school treasurer.

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that:

- Four pages (#12-35494-12-35497) of *Drop-Safe Logs* assigned to the Middle School were missing.
- The activity sponsor did not record the information for MCR #710-23 (for \$41) on the *Drop-Safe Log*. According to the school's treasurer, the information was subsequently entered onto the *Log* when the collection was removed from the safe for processing.

Recommendation

Money collections should be administered in accordance with District guidelines and *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*. Specifically,

- As required by *Bulletin #P-14051-S/CFO*, "Completed Drop Safes Logs must be filed sequentially in numerical order in a binder and retained for five years."
- Responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe.

Management's Response

Concur. Sponsors and coaches have been reminded that they must log all activity.

DOCUMENTATION FOR FUNDRAISERS

Finding

Tickets were sold for six football games (Account #1-2020.00) and had total ticket sales revenue of \$36,869.02. Although, revenue exceeded \$1,000 from each game, *Ticket Sellers*

Reports were not maintained for these ticket selling events as required by the **Internal Accounts Manual**.

Recommendation

Internal Accounts Manual, Chapter 26, requires that “*Prenumbered tickets must be used to account for admissions to campus events if the anticipated revenues at the event are expected to exceed \$500 at the elementary level or \$1,000 at the secondary level.*” Moreover, *Ticket Sellers Report* should be prepared in order for staff to reconcile revenues with the number of tickets sold.

Management’s Response

Concur. This was noticed upon my arrival and changed, as noted by the auditor prior to the beginning of football season.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that two P-Card purchases, which occurred in August 2015 totaling \$59.99, did not have any supporting documentation for the expenses.

Recommendation

School expenditures should be adequately supported by itemized invoices/receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.

Management’s Response

Concur. All P-card holders have been reminded that they must have receipts and proper documentation for all purposes.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that:

Pahokee Middle/Senior High School
Management Letter
Year Ended June 30, 2016

- The school had eight leasing arrangements entered into the Tririga System. However, seven of them did not have the hard copies of the executed *Lease Agreements*.

- For Lease #1008:
 - The Principal did not approve the *Lease Agreement* in the Tririga System until 10 days after the leasehold period began.

 - The *Certificate of Insurance* was not provided by the lessee until nine days after the leasehold period began.

 - The lease had a total leasing charges of \$10,630, with \$2,457 waived by the school, and the total amount owed became \$8,173. However, the school collected only \$7,273 from the lessee and donors. As of March 2, 2017, the school had not collected the remaining \$900.

- Lease #1009 had a total leasing charges of \$852.50. However, as of March 2, 2017, the school had not collected any rental payment for this use of facility.

- Utility fees from leasing activities for three *Lease Agreements* (#s 1002, 1003, and 1004) were allocated into the HS Rental Facilities Account (#6-3801.00) instead of the Utilities Account (#6-5500.00). As a result, the school under-allocated and under-transmitted to the Central Office a total of \$354 in utility fees.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To ensure *Lease Agreements* are legally enforceable, they should be properly executed with all the required signatures. The school should also maintain a hard copy of the executed *Lease Agreement* for future reference, in addition to recording leasing activities in the Tririga System.

- As required by ***School Board Policy 7.18***, the lessee must “*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*” This will ensure the School Board is protected from unwarranted liabilities.

Pahokee Middle/Senior High School
Management Letter
Year Ended June 30, 2016

- As required by **School Board Policy 7.18**, “fees are to be paid by check or credit card at least forty-eight (48) hours prior to use of a facility.” The school should collect the \$1,685.50 in unpaid fees from the lessees.
- To facilitate timely and accurate payment of utility and other leasing related fees to the Central Office, leasing revenues should be allocated in accordance with the **Approved Rate Schedule**.

Management’s Response

Concur. All personnel involved with leases has been reminded that all payments must be received prior to the start of the lease.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that both the High School and the Middle School did not maintain the following documents: (1) *Document Custodian Assignment Register (PBSD 1663)* and (2) *Prenumbered Document Inventory Register (PBSD 0160)* for *School Checks, Prenumbered Tickets, and Drop-safe Logs*.

Recommendation

To ensure proper fiscal accountability and as required by **Chapter 27 of the Internal Accounts Manual**,

- Designated staff should be assigned as document custodian for each prenumbered form, and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.
- To ensure all prenumbered documents are properly accounted for, the document custodian for each prenumbered document, including *Drop-safe Logs, Prenumbered Tickets, and School Checks*, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory-check of the prenumbered forms.

Management’s Response

Concur. Document custodians have been reminded of their responsibilities. A new document custodian has been named at the high school.

Pahokee Middle/Senior High School
Management Letter
Year Ended June 30, 2016

Additional comments

The Middle School principal and I have discussed all of the above information and have put the appropriate policies and trainings in place to ensure that proper changes have been made.

**Palm Beach Central High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 8499 West Forest Hill Boulevard
Wellington, FL 33411

Principal:
Fiscal Year 2016: Darren Edgecomb
During Audit: Darren Edgecomb

Treasurer:
Fiscal Year 2016: Norma Flores
During Audit: Norma Flores

Community School Director:
Fiscal Year 2016: Jerry Fogarty
During Audit: Jerry Fogarty

Cash and Investments

Checking	\$ 408,191.07
Investments	
	\$ 408,191.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 63,478.61	\$ 268,163.57	\$ 266,814.84	\$ 116,566.24	\$ 113,935.09	\$ 67,458.49
Music	14,686.85	24,277.49	29,368.02	10,866.81	6,516.81	13,946.32
Classes	6,991.42	114,979.82	98,071.85	14,303.54	27,287.96	10,914.97
Clubs	37,136.95	213,858.03	209,058.80	69,594.31	78,200.07	33,330.42
Departments	58,947.79	125,001.52	117,222.02	44,373.50	48,418.97	62,681.82
Trusts	202,089.12	411,887.51	467,309.13	49,485.51	42,234.71	153,918.30
General	39,110.20	64,595.72	49,168.87	56,020.27	44,616.57	65,940.75
	\$ 422,440.94	\$1,222,763.66	\$1,237,013.53	\$ 361,210.18	\$ 361,210.18	\$ 408,191.07

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) and at the school found that collections were not always deposited in a timely manner. For example, \$512.50 collected through MCR #1047-20 was retained by the sponsor for two working days before the monies were put into the drop-safe for deposit.

Recommendation

DOE Rules and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of records for the Adult Education and Community School Programs found that as of October 26, 2016, a payment (totaling \$54.18) for online registrations for the period May 1 through May 14, 2016, from a third party payment site was not accounted for in the internal funds.

Recommendation

To prevent and detect potential frauds and irregularities in a timely manner, the school should perform periodic reconciliations of online registrations to vendor payments. The school should pursue collecting the payment.

Management's Response

Concur.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facility found that:

- *Lease Agreement* #1034 was not signed by the lessee and witness until nine days after the leasehold period began.
- Leasing charges were not always collected in a timely manner. The rentals for Leases #1028 and #1034 were not collected until 6 and 15 days respectively after the lessees had begun using the facilities.
- We noted the same noncompliance during the Fiscal Year 2015 audit.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- As required by *School Board Policy 7.18*, “*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management’s Response

Concur.

**Palm Beach Gardens High School
Internal Fund Accounts
Combining Statement Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4245 Holly Drive
Palm Beach Gardens, FL 33410

Principal:
Fiscal Year 2016: Larry Clawson
During Audit: Larry Clawson

Treasurer:
Fiscal Year 2016: Diane Clodfelter
During Audit: Diane Clodfelter

Community School Director:
Fiscal Year 2016: Arthur Faulk/Nuncia Francois Lowery
During Audit: Robin Johnson

Cash and Investments

Checking	\$ 443,306.72
Investments	
	\$ 443,306.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 81,257.18	\$ 212,846.61	\$ 228,216.89	\$ 80,626.70	\$ 82,711.70	\$ 63,801.90
Music	23,539.91	128,436.66	132,216.14	27,666.13	26,294.34	21,132.22
Classes	27,818.82	98,080.49	106,559.39	46,297.38	34,873.39	30,763.91
Clubs	22,953.07	276,814.59	231,787.62	92,216.65	90,238.35	69,958.34
Departments	58,911.51	152,993.61	152,569.61	31,182.65	25,530.51	64,987.65
Trusts	154,407.33	323,326.45	274,513.54	55,010.84	72,394.14	185,836.94
General	7,859.45	1,037.93	1,113.70	3,720.98	4,678.90	6,825.76
	\$ 376,747.27	\$1,193,536.34	\$1,126,976.89	\$ 336,721.33	\$ 336,721.33	\$ 443,306.72

DEPOSIT OF MONIES

Finding

The review of sample *Monies Collected Reports* (MCRs) and money collection process at the school found that on some of the pages, *Section 2* of the Drop Safe *Log* was signed only by the school treasurer. Some were signed only by the verifier. It was not clear if two persons were present when the collections were removed from the safe for processing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, to ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. We were not aware of this policy. This year our school treasurer has been out on medical leave and the district treasurer has made us aware of this policy. Since December we have been in compliance and will continue to do so.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraising records found that:

- The sponsors of the following two fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Palm Beach Gardens High School
 Management Letter
Year Ended June 30, 2016

Fundraiser Activity	Account Number	Activity Began	Training Completed
Baseball Concession	#1-0510.04	2/17/2016	Did not complete
Varsity Cheer Coupon Cards	#4-0870.03	1/28/2016	Did not complete

- There was no *Fundraising Application/Recap Form* for the Baseball Concession (Account #1-0510.04).
- A total of \$1,070 sales revenue was deposited into Internal Funds for the Cheer Card Sales (Account #4-0870.03). However, based on the school’s purchasing records, this resale activity should have generated a total estimated revenue of \$1,600. As a result, \$530 (\$1,600 - \$1,070, or 33%) in estimated revenue was unaccounted for. Also, the fundraiser did not have the required *Sales Item Inventory Report*. The activity was abruptly cancelled because the sponsor left the school.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure staff is familiar with and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the actual sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away or missing. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management’s Response

Concur. The baseball coach did not complete a Fundraising Application/Recap Form for the concession stand. For this year the coach has already filled out the appropriate paper work and completed the on line training. The entire Cheer Card Sale was a failure. The coach did not follow up with the cheerleaders to ensure the cards were either sold or returned. In fact,

there was not enough money raised to cover the vendors cost. The coach paid out of her pocket to cover the expense of the vendor. There was no profit made from the fundraiser. As a result of this issue, I terminated the coach immediately. The new coach is very aware of all fundraising procedures and policies.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that Disbursement #54238 (for \$2,281.67) exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Order*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically, *Purchase Orders* pre-approved by the Principal should be issued for purchases in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

Management's Response

Concur. The purchase was made without an approved purchase order. Now all purchases over \$1,000 are closely monitored by the principal and the treasurer.

PRENUMBERED DOCUMENTS

Finding

The review of controls of prenumbered documents disclosed that the *Document Custodian Assignment Register (PBSDI663)*, was not signed by the Principal.

Recommendation

The Principal should review the *Document Custodian Assignment Register* to ensure proper assignment of duties and signed the form to provide proof of review.

Management's Response

Concur. The form was not signed by the principal. This year, the Document Custodian Assignment has already been signed by the principal. In the future, we will make sure the form is signed.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that:

- The school has not received eight payments totaling \$23,532.88 from the online registration and payment processor for Community School, Active Network for the periods July 27 through August 9, 2015 and January 11 through June 27, 2016.
- District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period. However, the related fees collected during for six of the seven months were not timely transmitted to the Central Office, with delays ranging from 20 - 114 days.
- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. However, the school did not timely transmit the winter 2016, and spring 2016 to the Central Office. Delays for the winter and spring term ranged from 38 to 121 working days.

Recommendation

The Adult Education and Community School programs should be administered in accordance with District procedures, specifically,

- The school should recoup the \$23,532.88 in payments it is entitled to. Community School personnel should reconcile registration records in a timely manner.
- To provide the Central Office with immediate available funding for Adult Education and Community School Programs, fees collected for these programs should be transmitted timely to the Central Office in accordance with District's guidelines.

Palm Beach Gardens High School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. I concur with all three findings regarding Adult Education and Community School. We have received the eight payments from Active Network and deposited/transferred that money to the district. We now are monitoring Active Network very closely. Procedures have been put in place to ensure transmittals are done on time.

Palm Beach Lakes High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 3505 Shiloh Drive
West Palm Beach, FL 33407

Principal:
Fiscal Year 2016: Cheryl McKeever
During Audit: David Alfonso

Treasurer:
Fiscal Year 2016: Melissa Terkovick
During Audit: Melissa Terkovick

Community School Director:
Fiscal Year 2016: Robin Johnson
During Audit: Keith Wright

Cash and Investments

Checking	\$ 137,083.92
Investments	
	\$ 137,083.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 9,677.96	\$ 269,768.29	\$ 244,716.07	\$ 166,919.50	\$ 171,039.94	\$ 30,609.74
Music	993.90	47,705.26	44,791.04	18,067.79	18,458.79	3,517.12
Classes	13,158.41	141,682.61	109,255.42	41,614.54	48,602.53	38,597.61
Clubs	8,791.68	50,106.10	44,334.28	28,367.65	27,139.72	15,791.43
Departments	12,208.91	66,666.17	67,373.74	42,783.45	36,177.33	18,107.46
Trusts	30,102.93	308,695.00	314,184.81	28,619.68	24,926.84	28,305.96
General	4,109.34	9,105.35	11,032.63	9,473.49	9,500.95	2,154.60
	\$ 79,043.13	\$ 893,728.78	\$ 835,687.99	\$ 335,846.10	\$ 335,846.10	\$ 137,083.92

DEPOSIT OF MONIES

Finding

The review of money collection process at the school revealed that monies collected were not always deposited in a timely manner. For example, a total of \$351 collected from four MCRs (#s 708-4, 708-6, 708-11, and 665-16) were retained by the sponsors for one to three working days before they were put into the drop-safe for deposit.

Recommendation

DOE Rules and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. This process was discussed and reviewed in detail with school treasurer and system was created and implemented inclusive of AP monitoring collection/review of MCRs to match drop safe logs daily or before close of month.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The following three fundraisers did not have the required *Sales Item Inventory Reports*: (1) HOSA Candy Sales (Account #4-2233.02), The Modern Graffiti Krispy Kreme sales (Account #5-0300.01), and Yearbook Sales (Account #5-0450.00). Without adequate documentation, there is no assurance that all revenues were accounted for.
- The Recap Section (actual sales) of the *Fundraising Application/Recap* Form was not verified by the school treasurer for the Modern Graffiti Krispy Kreme fundraiser (Account #5-0300.01) after the fundraiser event.
- The revenue for yearbook ads sales was recorded in the same account as the yearbooks sales (Account #5-0450.00) instead of a separate account.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue.
- Fundraiser sponsor should complete the Recap (actual sales) portion of the *Fundraiser Application/Recap Form* at the end of the fundraiser. The sales revenues should be reconciled to the Internal Funds accounting records.
- To assist the school in evaluating and monitoring the performance of individual fundraiser, the individual fundraiser accounts should include all the needed and accurate financial information for the related fundraisers.

Management's Response

Concur. The school administrator noted several of the above deficiencies on the school treasurer end of year final evaluation FY16.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation found that:

- A total of \$899.52 in four expenditures (Disbursements #99500, #99911, #99779, and #99854) did not have any support for the expenses.
- Disbursements #99469, #100529, and #100684 totaling \$1,343, were payments for two consultants and renting inflatables with attendants. However these three engagements did not have the required *School District Consultant Agreement* (PBSD 1420). Moreover, Disbursement #99469 did not have the *Hold Harmless Agreement* (PBSD 2496) and proof of liability insurance coverage from the vendor.
- Five P-Card purchases totaling \$212.64 did not have adequate documentation. The March 2016 purchases were for food items but did not indicate if the purchases were for business or educational use.

Palm Beach Lakes High School
Management Letter
Year Ended June 30, 2016

- Disbursement #100537 for \$729.90 was for hotel lodging for a field trip to Daytona Beach, FL. However, the *Field Trip/Activity Planning Report and Approval Request* for this Out-of-County field trip was not approved by the Area Superintendent.
- Supporting documentation was not always defaced (stamped “PAID”) after payment. For example, the supporting documents for two sample disbursements (#’s 100529 and 100537, totaling \$1,087.90) were not defaced after payments.

Recommendation

Disbursements should be processed in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)* and related District guidelines. Specifically,

- All expenses should be supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- To protect the best interests of the school, the School District Consultant Agreement (PBSD 420) should be properly executed with all the required signatures prior to the consultants performing services at the school. Moreover, renting of inflatables for school activities should be administered in accordance with the District’s Special Events Guide for Insurance and Loss Prevention, including a properly executed Hold Harmless Agreement (PBSD 2496) and Certificate of Insurance provided by the vendor.
- To ensure proper fiscal accountability, the purposes and justifications for all expenditures should be documented and supported by itemized invoices and receipts.
- As required by *School Board Policy 2.40* and related District guidelines, a *Field Trip/Activity Planning Report and Approval Request* should be approved by the Principal and Area Superintendent for all out-of-county field trips.
- To avoid potential duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment was made.

Management’s Response

Concur. Monitoring systems were put into place and addressed, but it’s apparent school treasurer had some short comings with implementation of board policies with the daily working of the role of an effective school treasurer. (Noted on FY16 evaluation)

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of records for the Adult Education and Community School Programs found that:

- A payment (totaling, \$1,523.49) for online registrations for the period September 7 through 20, 2016, from a third party payment site was not accounted for in the internal funds. The vendor confirmed the check was sent and could have been lost in the mail.
- District procedures require that community school fees be transmitted to the Central Office within 42 days after the classes begin. The school however, did not timely transmit the fees to the Central Office, with delays ranging from 6 to 24 days. We noted the same noncompliance during the Fiscal Year 2015 audit.
- District procedures require that Adult Education tuition and GED special testing fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The Adult Education tuition fees were not timely transmit the Central Office for 7 of the 10 months, with a delay ranging from 2 to 65 days. We noted the same noncompliance during the Fiscal Year 2015 audit.

Recommendation

Adult Education and Community School Programs should be administered in accordance with the District's guidelines. Specifically,

- To prevent and detect potential frauds and irregularities in a timely manner, the school should perform periodic reconciliations of online registrations to vendor payments. The school should pursue the \$1,523.49 in third party payment.
- The Adult Education and Community School program fees should be transmitted timely to the Central Office in accordance with District's procedures.

Management's Response

Concur. PBLHS school treasurer needed continual assistance from District's Fiscal offices to ensure adequate understanding of policy and procedures when it came to implementation of these policies. Administrator will schedule more in depth PD or make in-house adjustments.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreements* #1011 and #1056 were neither signed by the lessees nor witnesses.
- A total of \$6,604.20 in leasing charges for three *Lease Agreements* (Lease #1069, #1070, and #1094) had not been collected as of June 30, 2015. Moreover, leasing charges for *Lease Agreements* #1001, #1011, and #1060 were not collected prior to the use of facilities, with delays of 2 to 43 days. We noted the same noncompliance during the Fiscal Year 2015 audit.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- To protect the best interest of the School District, all *Lease Agreements* should be properly executed with all the required signatures prior to the use of facilities by lessees.
- ***School Board Policy 7.18***, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*” The school should collect the \$6,604.20 in unpaid rentals from the three lessees.

Management’s Response

Concur. Transition in Night school administration discovered several leases uncollected, new staff trained and collection for unpaid leases were in process of being collected. Administration advised that all new leases dollars had to be collected in advance of use of facility.

Additional Comments

Transition in FY15, noted these findings and more, which posed concern of treasurer’s application of Board policies. Adequate PD from Fiscal office never provided resulting in same things in current audit finding. Properly training treasurers who can execute knowledge of policy on disbursements, collections, consultants, etc. can confer with administrators in setting up systems that would have few findings.

**Park Vista High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 7900 Jog Road
Lake Worth, FL 33467

Principal:
Fiscal Year 2016: Reginald Myers
During Audit: Reginald Myers

Treasurer:
Fiscal Year 2016: Leigh Katusak
During Audit: Leigh Katusak

Community School Director:
Fiscal Year 2016: Ronald Petek
During Audit: Ronald Petek

Cash and Investments

Checking	\$ 520,908.07
Investments	
	\$ 520,908.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 69,321.40	\$ 393,000.07	\$ 387,021.24	\$ 139,316.44	\$ 138,889.01	\$ 75,727.66
Music	30,058.48	612,406.08	575,845.12	212,391.02	216,366.24	62,644.22
Classes	17,671.29	84,922.50	64,666.82	26,493.24	39,662.88	24,757.33
Clubs	64,677.08	152,150.34	161,477.02	30,192.90	31,976.48	53,566.82
Departments	117,084.13	175,868.12	147,870.68	55,612.53	57,121.62	143,572.48
Trusts	134,027.21	263,799.12	304,231.44	38,312.23	18,102.32	113,804.80
General	53,448.18	666,033.34	672,446.95	44,253.99	44,453.80	46,834.76
	\$ 486,287.77	\$2,348,179.57	\$2,313,559.27	\$ 546,572.35	\$ 546,572.35	\$ 520,908.07

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that Adult Education tuition fee collections be transmitted monthly to the Central Office within five working days after the close of accounting period. The review of school's records found that the related fees for four of the ten operating months were not transmitted to the Central Office in a timely manner, with a delay ranging from five to 11 days.

Recommendation

Fees collected from these programs should be timely transmitted to the Central Office in accordance with District guidelines.

Management's Response

Concur Adult/Community School transmittals will be submitted in a timely manner and in accordance with School District Protocols.

Royal Palm Beach High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 10600 Okeechobee Boulevard
 Royal Palm Beach, FL 33411

Principal:
 Fiscal Year 2016: Jesus Armas
 During Audit: Jesus Armas

Treasurer:
 Fiscal Year 2016: Joanne Hopkins
 During Audit: Joanne Hopkins

Community School Director:
 Fiscal Year 2016: Alexandra Deveroux
 During Audit: Alexandra Deveroux

Cash and Investments

Checking	\$ 193,423.53
Investments	
	\$ 193,423.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 11,195.72	\$ 137,465.38	\$ 135,675.16	\$ 29,329.38	\$ 27,354.08	\$ 14,961.24
Music	4,684.00	33,123.14	34,611.87	10,757.31	12,967.31	985.27
Classes	10,317.62	138,977.59	114,088.95	65,117.61	82,579.01	17,744.86
Clubs	54,031.12	261,175.36	277,835.58	94,622.16	92,641.57	39,351.49
Departments	23,542.56	75,884.03	78,197.23	31,821.13	21,719.48	31,331.01
Trusts	64,958.27	254,073.39	236,628.87	16,311.33	5,309.16	93,404.96
General	0.00	4,522.99	3,489.98	8,821.49	14,209.80	(4,355.30)
	\$ 168,729.29	\$ 905,221.88	\$ 880,527.64	\$ 256,780.41	\$ 256,780.41	\$ 193,423.53

DEPOSIT OF MONIES

Finding

The review of sample Monies Collected Report (MCR's) and money collection process at the school found that:

- Monies were not always deposited in a timely manner. For example, a total of \$1,706.33 collected from four MCRs (#554-7, #539-14, #546-7, and #546-22) were retained by the sponsors for nine to 26 working days before they were put into the drop-safe for deposit.
- The *Drop Safe Log* had several collections marked “returned to sponsor for correction.” According to staff, these collections were not ready for deposit, and were returned to respective sponsors for clarification. However, no records were maintained to document that the monies were actually returned to and received by the sponsors.
- During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer. However, according to the secretary, incoming mails addressed to the treasurer is opened by her for processing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *DOE Rules* and *District Bulletin #P-14051-S/CFO*, monies collected should be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities
- Monies returned to the sponsor for clarification should be noted and acknowledged (signed/initialed) by the sponsor on the *Log*; and the treasurer should ensure that monies were actually returned to the drop-safe for deposit after the clarification was made by the sponsor.
- To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a Monies Collected Report (MCR) by the staff who opens the mail, prior to putting into the drop-safe for deposit.

Management's Response

Concur. We will continue to train staff and reinforce the importance of proper bookkeeper procedures. I do not concur that is the responsibility of the bookkeeper to ensure that sponsors return monies collected after the bookkeeper has "returned to sponsor for correction." It is the sponsor's responsibility. However, we are adjusting our practices to ensure that the sponsor signs for the return of the monies. The bookkeeper will no longer open her own mail.

DOCUMENTATION FOR FUNDRAISER

Finding

The *Fundraising Application Recap Form* for the Drama Candy Sale (Account #5-0750.60) was not completed by the sponsor after the fundraiser event was complete.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and related District guidelines.

Management's Response

Concur. We will continue to train staff and reinforce the importance of proper bookkeeper procedures.

**Santaluces High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 6880 Lawrence Road
Lantana, FL 33462

Principal:
Fiscal Year 2016: Tameka Robinson
During Audit: Tameka Robinson

Treasurer:
Fiscal Year 2016: Susan Diglio
During Audit: Susan Diglio

Community School Director:
Fiscal Year 2016: James Utterback
During Audit: Terry Gaddy

Cash and Investments

Checking	\$ 279,052.62
Investments	
	\$ 279,052.62

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 31,832.34	\$ 179,405.93	\$ 166,848.65	\$ 53,264.90	\$ 52,806.16	\$ 44,848.36
Music	33,368.49	84,466.80	85,302.48	36,653.33	37,657.12	31,529.02
Classes	12,813.26	40,395.00	39,544.16	8,736.11	8,646.11	13,754.10
Clubs	11,145.75	51,174.60	48,754.48	17,178.01	15,770.93	14,972.95
Departments	69,780.34	76,078.25	85,007.45	33,692.78	28,889.06	65,654.86
Trusts	98,696.59	346,664.16	331,078.30	8,634.37	14,378.12	108,538.70
General	8,320.21	2,661.46	11,215.04	0.00	12.00	(245.37)
	\$ 265,956.98	\$ 780,846.20	\$ 767,750.56	\$ 158,159.50	\$ 158,159.50	\$ 279,052.62

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- The school's *FY16 End-of-the-Year Checkout Sheet* mistakenly instructed staff to submit all the yellow copies of MCRs to the school treasurer, instead of the school secretary as required by District's procedures.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

All yellow MCR copies and computerized receipts were collected by the Principal's Secretary. Sponsors only came to the bookkeeper for duplicates of receipts misplaced. Bookkeeper never handled or collected any paperwork. The End-of-Year Checkout Sheet has been changed to instruct staff to submit to Principal's Secretary.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records found that:

- The following fundraisers did not have the required *Sales Item Inventory Reports*: (1) Basketball T-shirt Sales, (2) Band Essentials, and (3) Chorus Uniforms.
- A total of \$1,640 in sales revenue for the Band Essentials (Account #2-1000.03) resale activity was deposited into the Internal Funds. However, based on the school's purchasing records, this resale activity should have generated a total estimated revenue of \$2,460. As a result, \$820 (\$2,460 - \$1,640, or 33%) in estimated revenue was unaccounted for.

- A total of \$2,393 in sales revenue for The Chorus Uniforms (Account #2-1500.01) resale activity was deposited into the Internal Funds. However, based on the school's purchasing records, this resale activity should have generated a total estimated revenue of \$3,119. As a result, \$726 (\$3,119 - \$2,393, or 23%) in estimated revenue was unaccounted for.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and the related District guidelines. Specifically, *Sales Item Inventory Reports* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.

Management's Response

Concur. Neither Band nor Chorus use these accounts as fundraising. Band and Chorus require uniforms to participate. Many of the students do not have the financial means to purchase the uniforms. Band and Chorus had to do transfers from their main account to cover the deficit of students not paying.

Basketball T-Shirts was strictly run by one of the player's parents, who is a District Employee. The bookkeeper asked several times for a report of all shirts sold.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that, Disbursement #15913 was for \$6,517 in payment to a camp in Fort Lauderdale during August 4-7, 2015. However, the *Field Trip/Activity Planning Report and Approval Request* for this Out-of-County field trip was not approved by the Area Superintendent.

Recommendation

Field trips should be administered in accordance with ***School Board Policy 2.40***. Out-of-County field trips should be approved by the Principal and Area Superintendent.

Management's Response

Concur. Field Trip was transferred by Area Superintendent's Secretary, however, in the midst of the reorganization of Area Offices, it was lost in the shuffle.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The review of the school records found that the related Adult Education fees collected were not transmitted to the Central Office in a timely manner for seven of the ten months, Delays ranged from two to 88 days.

Recommendation

Fees collected from this programs should be timely transmitted to the Central Office in accordance with the District's guidelines.

Management's Response

Concur. Has been addressed with the new Assistant Principal over Adult & Community Education.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that, rental fees for lease #1005 were not collected from the lessee until 247 days after the leasehold periods began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically, "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"

Santaluces High School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Lease #1005 (ACT) 10/24/15 was an oversight on the Lessee, ACT. ACT sent the signed lease and payment on 06/8/16.

**Seminole Ridge High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 4601 Seminole Pratt Whitney Road
Loxahatchee, FL 33470

Principal:
Fiscal Year 2016: James Campbell
During Audit: James Campbell

Treasurer:
Fiscal Year 2016: Sherry Permenter
During Audit: Sherry Permenter

Community School Director:
Fiscal Year 2016: John Hay
During Audit: John Hay

Cash and Investments

Checking	\$ 507,496.74
Investments	
	\$ 507,496.74

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 66,946.81	\$ 326,006.93	\$ 331,892.26	\$ 192,966.36	\$ 195,842.98	\$ 58,184.86
Music	50,381.03	260,920.47	271,269.67	62,596.67	64,355.90	38,272.60
Classes	28,840.47	60,680.30	61,276.37	15,640.75	22,485.75	21,399.40
Clubs	50,629.32	120,117.26	129,270.97	38,656.42	36,497.80	43,634.23
Departments	135,700.57	246,184.76	248,729.59	89,564.31	86,425.78	136,294.27
Trusts	182,963.93	256,505.01	247,363.51	55,222.60	50,741.34	196,586.69
General	18,868.33	39,326.18	46,772.26	35,563.41	33,860.97	13,124.69
	\$ 534,330.46	\$1,309,740.91	\$1,336,574.63	\$ 490,210.52	\$ 490,210.52	\$ 507,496.74

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that the related fees collected during four of the ten months during School Year 2016 were not timely transmitted to the Central Office. Delays ranged from four to 34 days. District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period.

Recommendation

The Adult Education and Community School program fees should be timely transmitted to the Central Office in accordance with the District's guidelines.

Management's Response

Concur. An Annual Transmittal Worksheet has been compiled that list the Transmittal date (5 business days after month-end) and a column for the Actual transmittal Date for each month. Calendar reminders will also be established to provide staff with 10 and 5 day notifications of the upcoming transmittal date for the month. The notifications will be electronically sent to the Administrative Assistant and the Assistant Principal. The Adult Education Center staff fully understand the requirement of consistency in the timely transmittal of funds to the Central Office. It is a priority of this office to routinely initiate the monthly transmittal within five working days after the close of the accounting period.

**Spanish River High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 5100 Jog Road
Boca Raton, FL 33496

Principal:
Fiscal Year 2016: William Latson
During Audit: William Latson

Treasurer:
Fiscal Year 2016: Donna D' Aria
During Audit: Donna D' Aria

Community School Director:
Fiscal Year 2016: Todd Bolar
During Audit: Todd Bolar

Cash and Investments

Checking	\$ 575,165.53
Investments	
	\$ 575,165.53

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 60,925.77	\$ 288,979.77	\$ 251,819.20	\$ 52,539.60	\$ 52,543.72	\$ 98,082.22
Music	20,599.07	116,435.54	111,264.49	21,100.00	27,332.19	19,537.93
Classes	14,079.45	111,825.51	121,980.91	18,715.06	13,262.85	9,376.26
Clubs	93,792.55	329,719.87	334,076.50	63,445.11	59,698.02	93,183.01
Departments	95,882.19	113,092.19	114,309.73	23,215.42	19,065.76	98,814.31
Trusts	212,864.76	454,836.16	446,549.40	37,066.44	41,962.56	216,255.40
General	43,967.32	38,456.71	40,291.10	36,429.03	38,645.56	39,916.40
	\$ 542,111.11	\$1,453,345.75	\$1,420,291.33	\$ 252,510.66	\$ 252,510.66	\$ 575,165.53

REPEATED NONCOMPLIANCES

Finding

The following noncompliances with District procedures reported in the previous FY 2015 audit were repeated in FY 2016.

- Repeated noncompliances with fundraising procedures were noted for the following two sponsors.

Sponsor	Activity / Fundraiser	Noncompliance	FY15	FY16
Employee 1:	Yearbook (#5-0450.00)	• <i>Sales Item Inventory Report</i> incomplete and not approved by the Principal	√	
		• <i>No Sales Item Inventory Report</i>		√
		• Sponsor did not complete the required eLearning Fundraising Training Course	√	√
Employee 2:	Parking Decals (#7-0100.01)	• <i>No Fundraising Application / Recap Form</i>	√	√
		• <i>Sales Item Inventory Report</i> was not approved by Principal		√
		• Sponsor did not complete the required eLearning Fundraising Training Course	√	√

- The *Document Custodian Assignment Register* (PBSD 1663) was not maintained. A designated custodian should be assigned for each prenumbered form; and the staff assignment should be recorded on the *Document Custodian Assignment Register* accordingly.
- The *Prenumbered Document Inventory Registers* (PBSD 0160) for *Drop-safe Logs* and *Adult Education Receipt Books* were not maintained. To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document, including *Drop-safe Logs* and receipt books, should use the *Prenumbered Document Inventory Register* to confirm the periodic inventory check of these forms.
- Tuition fees collected from the Pre-Kindergarten Program (Account #6-9160.00) were not transmitted to the Central Office monthly as required by **Chapter 14** of the **Internal Accounts Manual**. Instead, the fees were transmitted to Central Office twice in December, 2015, and June, 2016.

Recommendation

- Repeated violation of “No Fundraising Application/Recap Form” and “Sponsor did not complete the required eLearning fundraising Training Course” by the same employees will be forwarded to Professional Standards for appropriate action.
- Failure to maintain/prepare the required fundraising documentation violates **School Board Policy 2.34**, which states “All Board employees shall faithfully and accurately keep such records as may be required by law, State Board regulations, School Board policy or their supervisor. Such records shall include pupil attendance, property inventory, funds and other types of information. Reports of such records shall be submitted on forms prescribed for such purposes and at designated intervals or dates.”
- **School Board Policy 2.62, Section 5.c.iii**, states, “The failure of a division/department head or school principal to correct audit findings and implement corrective actions shall be addressed and assessed as part of the division/department head's or school principal's annual performance evaluation.” The school should ensure audit issues are resolved and not repeated in the future.

Management's Response

Yearbook is not required to do fundraiser forms per district. I concur with the rest.

UNRESTRICTED ACCESS TO DROP-SAFE

Fining

According to the school treasurer, both she and the principal have the full combination to access the drop-safe.

Recommendation

Chapter 7 of the **Internal Accounts Manual** states “the safe combination may be shared between two or more trustworthy members of the office staff (such as the school treasurer, data processor, assistant principal, or secretary) with each person having a portion of the combination, so it takes two individuals to open the safe in the principal's absence. To ensure assets are safeguarded properly, access should be restricted only to authorized personnel.

Management's Response

Concur. Request to change combination will be made.

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- Monies collected were not always deposited into the drop-safe in a timely manner. For example, a total of \$2,315 collected through two MCRs (#664-6 and #691-17) were retained by the sponsors for one to 21 working days before the money was put into the drop-safe for deposit.
- The school's *2016 End-of-Year Check List* mistakenly instructed staff to submit the yellow copies of MCRs and the computerized receipts to the treasurer, instead of the school secretary, for filing and future references.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- *DOE Rules* and *District Bulletin #P-14051-S/CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teachers/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*" The school should correct its *End-of-Year Checklist* to ensure the instructions are complying with the District's procedures.

Management's Response

Concur. I continue to train and remind teachers of the process, they all do not get it correct.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- Fundraising documentation was not prepared and retained for the Winter Guard Bowling Fundraiser (Account #2-1100.07).
- The required *Sales Item Inventory Reports* were not prepared for the following three fundraisers: (1) Class of 2017 Sweatshirts Sale (Account # 3-2017.05), (2) DECA Chick Filet Calendars (Account #4-1520.07), and (3) Band Coupon Book Sales (Account # 2-1000.06).
- Activities for the Band Coupon Book Sales (Account #2-1000.06) began August 15, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until June 3, 2016; i.e., ten months after the fundraiser activities began.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the actual sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for items, if any, that were given-away or missing, and remaining inventory. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.

Management's Response

Concur. We will look at completing training during preschool so all are complete.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- Disbursement #39940 (for \$35,370.44) was for payment for the Prom Dance Event. However, disbursement was supported by a contract signed by the sponsor instead of the Principal.
- A P-Card transaction (for \$ 177.02) in March, 2016, was for the rental of a tuxedo for the Principal to wear during the Prom. However, this expense was inadvertently paid with monies from a student account, the Class of 2016 (Account #3-2016.00), instead of Administrative Courtesy (Account #6-0200.00).

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All contracts should be approved by the Principal as required by *School Board Policy 6.14(4)*, which states “*the School Board has delegated limited authority to ... School Principals relating to the purchase of commodities and contractual services ...*”
- Expenditures should be funded by the appropriate funding sources, in accordance with District’s guidelines.

Management’s Response

Concur. Error in process, principal didn’t clearly identify procedure.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the school treasurer maintained the *Prenumbered Document Inventory Register (PBSD 0160)* for *School Checks*.

Recommendation

To ensure proper fiscal accountability and as required by **Chapter 27 of the Internal Accounts Manual**, a custodian for prenumbered forms should be someone who is not involved in the day-to-day use of the form; and each assigned document custodian shall use the Prenumbered Document Inventory Register (PBSD 0160) to perform the periodic inventory of the prenumbered forms.

Management's Response

Concur. The Head Secretary will complete the form.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for school facilities leasing found that leasing charges for two leases (#1001 and #1008) were not always collected prior to the use of facilities. Delays ranged from 15 to 42 working days.

Recommendation

Leasing of school facilities should be administered in accordance with **School Board Policy 7.18** and related District guidelines. Specifically, requires that leasing charges “*are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*”

Management's Response

The district knows the group does take a long time, it was relayed to the coordinator. Should not be a school finding.

**Suncoast High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1717 Avenue "S"
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Linda Cartlidge / Kevin Oates
During Audit: Karen Whetsell

Treasurer:
Fiscal Year 2016: Lynn Gold
During Audit: Lynn Gold

Cash and Investments

Checking	\$ 324,887.94
Investments	
	\$ 324,887.94

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 77,943.41	\$ 312,808.37	\$ 297,852.39	\$ 84,164.59	\$ 82,388.55	\$ 94,675.43
Music	9,983.45	125,548.03	112,818.97	24,911.31	24,679.31	22,944.51
Classes	40,155.52	126,767.62	98,889.00	3,329.46	27,528.95	43,834.65
Clubs	35,237.96	190,857.27	196,156.23	33,548.40	30,686.23	32,801.17
Departments	65,372.08	183,310.53	178,703.51	20,123.65	15,339.59	74,763.16
Trusts	53,824.44	160,221.02	169,376.42	19,292.88	15,457.77	48,504.15
General	107.72	54,411.14	57,864.10	21,650.71	10,940.60	7,364.87
	\$ 282,624.58	\$1,153,923.98	\$1,111,660.62	\$ 207,021.00	\$ 207,021.00	\$ 324,887.94

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Cheer T-Shirt Sales (Account #1-0950.10) had a total sales revenue of \$180, which was deposited into the Internal Funds for the period July 1, 2015, through June 30, 2016. However, based on the school’s purchasing records, the *Sales Item Inventory Report*, and our examination of the physical inventory during the audit, this fundraiser should have generated a total estimated revenue of \$555. Consequently, \$375 (68%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽³⁾	Units Sold		
T-shirts	0	200	126	37	37	\$15	\$555
Total Estimated Revenues							\$555
Total \$ Deposited into Internal Funds							\$180
Estimated Revenues Unaccounted For							\$375

(1) Based on *FY16 Sales Item Inventory Report*.
 (2) Based on purchasing records during July 1, 2015, through June 30, 20146.
 (3) Based on physical inventory count performed by auditor August 9, 2016.

- The Band Sunglasses Sale (Account #2-1000.15) had a total sales revenue of \$1,736, which was deposited into the Internal Funds for the period July 1, 2015, through June 30, 2016. However, based on the school’s purchasing records, the *Sales Item Inventory Report*, and our examination of the physical inventory count during the audit, this fundraiser should have generated a total estimated revenue of \$2,360. Consequently, \$624 (26%) in estimated revenue was unaccounted for.

Item	Quantity					Selling Price	Revenues
	Beginning Inventory ⁽¹⁾	Purchases ⁽²⁾	Items Given Away ⁽¹⁾	Inventory On Hand ⁽³⁾	Units Sold		
T-shirts	0	600	0	364	236	\$10	\$2,360
Total Estimated Revenues							\$2,360
Total \$ Deposited into Internal Funds							\$1,736
Estimated Revenues Unaccounted For							\$624

(1) Based on *FY16 Sales Item Inventory Report*.
 (2) Based on purchasing records during July 1, 2015, through June 30, 2016.
 (3) Based on physical inventory count performed by auditor August 16, 2016.

Suncoast High School
Management Letter
Year Ended June 30, 2016

- The sponsor of the Band Sunglasses Sale (Account #2-1000.15) was a parent. However, the band director signed the *Check Requisition* to purchase the sunglasses for resale. The band director and the sponsor for the Computer Science T-shirt Sale (Account #4-1103.02) did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- The *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Significant discrepancy between the estimated revenue and actual collection should be investigated and resolved accordingly.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements as specified in *Bulletin #P-14974-COO/P/AS* for gift cards, that states “schools must maintain documentation of all recipients of gift cards.” Records for give-away items should include the purposes and the names of recipients.
- To ensure fundraiser sponsors have knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Management’s Response

Concur. Bookkeeper will carefully review each fundraising report. Suncoast will ensure that each staff member responsible for handling fundraisers completes the course. Suncoast will follow all District procedures.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records revealed that:

- Disbursement #16613 (for \$1,224) was issued to the Girls’ Basketball sponsor for traveling expenses during a basketball tournament field trip to Cape Coral. However, six months after the trip, the sponsor submitted related receipts (totaled \$724.98) and returned

Suncoast High School
Management Letter
Year Ended June 30, 2016

the \$344.02 in cash from the remaining funds. There was no documentation or explanation for the \$155 difference.

- Disbursement #17306 (for \$4,100.86) was for the reimbursement to a parent for the purchase of the International Baccalaureate Banquet expenses and 135 gift cards (value \$4,050). However, the supporting documentation only listed 118 students. Consequently, 17 gift cards (value \$510) were unaccounted for.
- Two disbursements (#17562 and #17563 totaling \$3,700) were for payment of baseball coaching services. Although these disbursements were supported by *School District Consultant Agreements* (PBSD 1420), the required itemized invoices were missing.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

- All disbursements should be adequately documented and supported by itemized invoices and receipts. Without adequate supporting documentation, there is no assurance that the expenses were appropriate.
- As required by *Bulletin #P-14974-COO/P/AS*, “schools must maintain documentation of all recipients of gift cards.”
- Payments to consultants should be adequately supported by invoices indicating the dates and times of the services.

Management’s Response

Concur. The bookkeeper will manage the documentation of all disbursements, gift cards, and invoices.

**Wellington High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2101 Greenview Shores Boulevard
Wellington, FL 33414

Principal:
Fiscal Year 2016: Mario Crocetti
During Audit: Mario Crocetti

Treasurer:
Fiscal Year 2016: Dorothy Billi
During Audit: Dorothy Billi

Community School Director:
Fiscal Year 2016: Chris Romano
During Audit: Chris Romano

Cash and Investments

Checking	\$ 614,961.62
Investments	
	\$ 614,961.62

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 97,603.23	\$ 358,554.19	\$ 338,808.48	\$ 154,860.89	\$ 183,863.45	\$ 88,346.38
Music	13,861.18	86,056.26	86,770.36	7,167.28	7,167.28	13,147.08
Classes	2,561.81	9,974.23	8,185.08	3,536.51	4,362.73	3,524.74
Clubs	95,382.15	335,881.59	332,441.55	66,475.04	66,351.73	98,945.50
Departments	108,446.32	256,845.80	263,736.76	39,290.97	34,289.27	106,557.06
Trusts	247,089.64	341,732.58	348,134.85	35,770.34	26,048.58	250,409.13
General	42,222.46	34,698.55	37,871.29	55,334.38	40,352.37	54,031.73
	\$ 607,166.79	\$1,423,743.20	\$1,415,948.37	\$ 362,435.41	\$ 362,435.41	\$ 614,961.62

DROP SAFE LOG

Finding

During the audit, we noted that *Sections 2 and 3* on the Drop Safe Log appeared to be completed by a staff member other than the regular independent staff verifier. The alternate staff confirmed that she had never completed the *Drop Safe Logs* and that the initials on the Logs were not written by her. This finding has been written up in a separate memo to the principal for a Code of Ethics violation.

Recommendation

Money collections and *Drop Safe Log* procedures should be administered in accordance with *DOE Rules, Internal Accounts Manual*, and related District guidelines.

Falsifying records is a violation of *School Board Policy 3.02, Code of Ethics*, and jeopardizes the integrity of fiscal control system. Specifically, *Policy 3.02, Section 5.c.* states employees should exemplify honesty and integrity in the performance of their official duties for the School District. *Section 5.c.vii* of this policy specifically states unethical conduct includes “*Falsifying, misrepresenting, or omitting information submitted in the course of an official inquiry/investigation.*”

Management’s Response

Concur. The drop safe log will be completed by the designated staff member or the designated alternate in the absence of the designated staff member. The principal will be notified in the event both the designated staff member and the designated alternate are absent.

CHANGE FUND NOT RECORDED

Finding

The school maintained a \$600 athletic change fund and \$150 Community School change fund. Our examination of the change funds on October 13, 2016, found that the athletic change fund had a total of \$700, which was \$100 more than the record in the school’s accounting system. However, there was no documentation for the \$100 overage.

Recommendation

To ensure school assets are properly safeguarded, change funds should be maintained in accordance with *Internal Accounts Manual, Chapter 10, Change Funds*.

Management's Response

Concur. Change funds will be maintained in accordance with Internal Accounts Manual, Chapter 10, Change Funds.

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) found that:

- The *Drop-safe Logs* were not always completed with the required information. Specifically, *Section 3* of ten *Logs* (#12-64980 through #12-64983, and 12-72294 through 12-72298) was not signed by an independent staff verifier to confirm that collections had been recorded in the General Ledger. Moreover, three pages (#12-72296 through 12-72298) did not include receipt numbers.
- A total of nine collections recorded on seven *Drop-safe Logs* (#12-71490, #12-72205, #12-72234, #12-72382, #12-64924, #12-64997 and, #12-72372) were marked “returned to sponsor” or “sponsor did not count” in *Sections 2* and *3* of the *Logs*. However, the returns were not signed by the sponsors to acknowledge the receipt of the monies.
- During the audit, we noted that incoming mails were sorted and distributed by someone other than the school treasurer. However, those mails addressed to the treasurer were opened by her for processing.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- Responsible staff should complete the *Drop-safe Log* with all the required information. The activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and the independent staff verifier should jointly complete *Section 2* of the *Log* to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

- To ensure proper fiscal accountability, written records should be maintained and acknowledged by the sponsors when collections are returned to them for clarification. The treasurer should ensure that the monies were returned to the treasurer for deposit after the clarification was made by the sponsor.
- Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to placing the collection into the drop-safe.

Management's Response

Concur. Staff will complete the Drop-safe log with all the required information. The activity sponsor will complete Section 1 of the Log before dropping off the collection into the safe. The treasurer and the independent staff verifier will jointly complete Section 2 of the Log to confirm the treasurer removing the deposits for processing. Lastly, the staff verifier will complete Section 3 of the Log after the treasurer entered the deposit information into the school's accounting system.

To ensure proper fiscal accountability, written records will be maintained and acknowledged by the sponsors when collections are returned to them for clarification. The treasurer will ensure that the monies are returned to the treasurer for deposit after the clarification is made by the sponsor.

*Incoming mail will be received by and opened by different staff members. Payments, if any, received in the mails will be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to placing the collection into the drop-safe.*

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser documentation revealed that:

- The Boys Lacrosse T-shirt Sale (Account #1-4200.03) had the following exceptions:
 - The *Sales Item Inventory Report* was not accurately completed. As indicated by the sponsor on the *Report*, 125 T-Shirts were purchased; but the purchasing records indicated 46 shirts were purchased.
 - The sponsor for the fundraiser did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016

- The Dance Marathon Merchandise Sales fundraiser purchased \$1,280 in merchandise and collected \$634 in revenue, which resulted in a deficit of \$846. As indicated by the sponsor, the unsold items were given away without records documenting the purpose and the recipients for the gifts.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remained in inventory. Significant discrepancy between the estimated revenue and actual receipt should be investigated and resolved accordingly.
- To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community should follow similar requirements as specified in *Bulletin #P-14974-COO/P/AS* for gift cards, that “*schools must maintain documentation of all recipients of gift cards.*” Records for give-away items should include the purposes and the names of recipients.

Management’s Response

Concur. Fundraisers will be administered in accordance with School Board Policy 2.16 and the related guidelines. Specifically,

To ensure fundraiser sponsors have the knowledge of and will be complying with the updated fundraising procedures, they will complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activity.

Sales Item Inventory Report will be prepared and completed with accurate information for each fundraiser. Accurate information should assist staff in (1) reconciling sales revenues and (2) tracking of items purchased, given away, or remained in inventory. Significant discrepancy between the estimated revenue and actual receipt will be investigated and resolved accordingly.

To ensure proper fiscal accountability, items purchased with school funds and provided free-of-charge to students, staff members, or the community will follow similar requirements as specified in Bulletin #P-14974-COO/P/AS for gift cards, that “schools must maintain documentation of all recipients of gift cards.” Records for give-away items will include the purposes and the names of recipients.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card transaction records found that:

- The school paid four students a total of \$2,350 for providing stage crew services. However, there was no record indicating that the students have completed the District’s Stage and Safety Training as required by *Bulletins #P-13500-COO/RBM* and *#MPH-637-CLO/COO*. Allowing students to provide stage crew services could subject the school to unwarranted liabilities due to safety concerns.
- Disbursement #20831 (for \$1,739.30) was for an employee reimbursement for purchase of media tablets which exceeded the \$1,000 *Purchase Order* threshold. However, this purchase did not have the required *Purchase Order*.
- Disbursement #18559 (for \$1,600) was for payment to a consultant for filming varsity football games. However, this consultant was engaged without using the required *School District Consultant Agreement (PBSD 1420)*.
- Disbursement #20797 (for \$2,250) was for paying a consultant for providing coaching services during January 18 through May 10, 2016. However, the related *School District Consultant Agreement (PBSD 1420)* was neither signed by the consultant nor approved by the Principal until January 19, 2016 and January 25, 2016 respectively.
- Disbursement #19287 (for \$23,201) was to pay for admissions and lodging for a Career Development Conference in Orlando. However, one of the related staff’s *Temporary Duty Elsewhere (TDE) Form* was not approved by the Principal and Area Superintendent.

Recommendation

Disbursement procedures should be administered in accordance with *Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)*, and related District guidelines. Specifically,

Wellington High School
Management Letter
Year Ended June 30, 2016

- To ensure the safety of students, employees, and users of the school's stage and theatre and compliance with **Bulletins #P-13500-COO/RBM and #MPH 637-CLO/COO**, effective July 1, 2010, only employees who have completed the District's mandatory *Theatre and Stage Rigging Safety Training* are allowed to operate within the stage or theatre area.
- A *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and **Florida Statutes §1012.465 (Jessica Lunsford Act)**.
- Staff's *TDE Forms* should be approved by the Principal prior to paying the expenses for the travel arrangements.

Management's Response

Concur. Disbursement procedures will be administered in accordance with Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24), and related District guidelines. Specifically,

To ensure the safety of students, employees, and users of the school's stage and theatre and compliance with Bulletins #P-13500-COO/RBM and #MPH 637-CLO/COO, effective July 1, 2010, only employees who have completed the District's mandatory Theatre and Stage Rigging Safety Training will be allowed to operate within the stage or theatre area.

A Purchase Order approved by the Principal must be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the School District Consultant Agreement (PBSD 1420) will be properly executed with all the required dated signatures, and (2) most importantly, the consultant's background and clearance checks must have been conducted and cleared as required by Section 8 of the Agreement and Florida Statutes §1012.465 (Jessica Lunsford Act).

Staff's TDE Forms will be approved by the Principal prior to paying the expenses for the travel arrangements.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that:

- District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The related fees collected during July 2015, October 2015, and March 2016 were not timely transmitted to the Central Office. Delays ranged from two to 22 working days.
- District procedures require that Community School fees be transmitted to the Central Office within 42 days after the classes begin. The Spring 2016 and Summer 2016 fees were not timely transmitted to the Central Office, with delays of 2 and 33 working days respectively.

Recommendation

The Adult Education and Community School program fees should be timely transmitted to the Central Office in accordance with the District's guidelines.

Management's Response

Concur. The Adult Education and Community School program fees will be timely transmitted to the Central Office in accordance with the District's guidelines.

PRENUMBERED DOCUMENTS

Finding

The review of controls for prenumbered documents at the school found that:

- The Athletics Director was the assigned document custodian for prenumbered tickets, and he also used the prenumbered tickets for fee collections.
- The *Prenumbered Document Inventory Register* was not maintained for prenumbered tickets.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*,

- The Document Custodian for each prenumbered document should be someone who is not involved in the day-to-day use of the form.
- To ensure all prenumbered documents are properly accounted for, the Document Custodian for each prenumbered document should use the *Prenumbered Document Inventory Register* (PBSD 0160) to confirm the periodic inventory check of the forms.

Management's Response

To ensure proper fiscal accountabilities and as required by Chapter 27 of the internal Accounts Manual,

The Document Custodian for each pre-numbered document will be someone who is not involved in the day-to-day use of the form.

To ensure all pre-numbered documents are properly accounted for, the Document Custodian for each pre-numbered document will use the Pre-numbered Document Inventory Register (PBSD 0160) to confirm the periodic inventory check of the forms.

LEASING OF SCHOOL FACILITIES

Finding

The review of leasing records for use of school facilities found that:

- The Tririga System understated the school's leasing revenue by \$1,025 due to the following:
 - Lease #1036 was later amended; however, the \$185 adjustment was not entered in Tririga.
 - The school collected \$840 in custodial fees from an Interlocal Agreement lessee for the use of school's gymnasium during March 4 through 6, 2016. However, this leasing arrangement was not recorded in the Tririga System.

Wellington High School
Management Letter
Year Ended June 30, 2016

- \$493 in utility charge for Lease #1017 was inadvertently recorded in the Community School Fee Account. Consequently \$493 in utility was not transmitted to the Central Office.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically,

- Leasing information should be accurately recorded in the Tririga System; and the information should be updated for contract amendments and cancellations.
- Leasing revenues should be allocated in accordance with the District's *Approved Rate Schedule*. These revenues should be recorded in the respective leasing accounts, including Rental Income (#6-3800), Facilities Rental Utilities (#6-5500), Extra Services-Custodial (#6-1500), Extra Services-Other (#6-1600), Rental Facilities Event Insurance (#6-1850), and Florida Sales Tax Payable (#6-1800).

Management's Response

Concur. Leasing of school facilities will be administered in accordance with School Board Policy 7.18 and related District guidelines. Specifically,

Leasing information will be accurately recorded in the Tririga System; and the information should be updated for contract amendments and cancellations.

Leasing revenues will be allocated in accordance with the District's Approved Rate Schedule. These revenues should be recorded in the respective leasing accounts, including Rental Income (#6-3800), Facilities Rental Utilities (#6-5500), Extra Services-Custodial (#6-1500), Extra Services-Other (#6-1600), Rental Facilities Event Insurance (#6-1850), and Florida Sales Tax Payable (#6-1800).

West Boca Raton High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 12811 Glades Road
 Boca Raton, FL 33498

Principal:
 Fiscal Year 2016: Mark Stenner/Craig Sommer
 During Audit: Craig Sommer

Treasurer:
 Fiscal Year 2016: Linda Scharrer
 During Audit: Linda Scharrer

Community School Director:
 Fiscal Year 2016: Lyle Agnew
 During Audit: Lyle Agnew

Cash and Investments

Checking	\$ 730,605.49
Investments	
	\$ 730,605.49

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 129,878.48	\$ 207,724.02	\$ 201,874.04	\$ 49,896.26	\$ 60,420.26	\$ 125,204.46
Music	164,919.33	448,575.77	451,030.92	154,988.24	155,190.94	162,261.48
Classes	14,721.84	60,176.85	52,375.90	11,543.20	22,148.20	11,917.79
Clubs	52,299.97	85,397.18	79,136.92	40,450.55	47,324.03	51,686.75
Departments	109,447.04	287,895.98	295,019.88	134,883.70	111,851.47	125,355.37
Trusts	152,808.74	238,366.70	228,785.78	11,519.70	16,507.75	157,401.61
General	113,220.12	37,428.83	64,031.92	51,673.08	41,512.08	96,778.03
	\$ 737,295.52	\$1,365,565.33	\$1,372,255.36	\$ 454,954.73	\$ 454,954.73	\$ 730,605.49

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card documentation revealed that, disbursement #24720 (for \$2,475) was for the October 3, 2015, homecoming entertainment. The Certificate of Insurance provided by the consultant showed the School District rather than the School Board as the certificate holder, and did not show the certificate holder as an additional insured party.

Recommendation

Entertainment for school activities should be administered in accordance with the District's *Special Events Guide for Insurance and Loss Prevention*. Moreover, the school should ensure the required proof liability insurance coverage from the vendor is accurate and complete.

Management's Response

Concur. It was an oversight on my part.

ADULT EDUCATION AND COMMUNITY SCHOOL PROGRAMS

Finding

The review of Adult Education and Community School Programs revealed that:

- A payment (totaling \$1,626.17) for online registrations for the period January 11 through 24, 2016, from a third party payment site was not accounted for in the internal funds. Subsequent inquiry by the school to the third party confirmed the school had not received the payment the check was to be reissued. Also, two of the three third party payments deposited were not supported with *Agency Payment Reports*. There was no indication that check amounts were reconciled with the third party records.
- The course fee for the Winter 2016 term Boot Camp class was not updated on a timely basis in the third party payment site, resulting in four of ten students paying the prior term's price of \$36 instead of the \$30 Winter Term price.
- District procedures require that Adult Education fees be transmitted monthly to the Central Office within five working days after the close of accounting period. The related fees

West Boca Raton High School
Management Letter
Year Ended June 30, 2016

collected during seven of the ten months during School Year 2016 were not timely transmitted to the Central Office. Delays ranged from eight to 83 working days.

- District procedures require that Community School fees be transmitted to the Central Office within 42 days after the classes begin. The winter and spring 2016 fees were transmitted to the Central Office, 14 and four days late, respectively.

Recommendation

The Adult Education and Community School programs should be administered in accordance with District procedures, specifically,

- To prevent and detect potential frauds and irregularities in a timely manner, the school should perform periodic reconciliations of online registrations to vendor payments.
- Fee changes for classes should be updated in third party payment site on a timely basis.
- The Adult Education and Community School program fees should be timely transmitted to the Central Office in accordance with the District's guidelines.

Management's Response

Concur. The recommendations will be activated for the Adult Education Program and monitored by administration.

LEASING OF SCHOOL FACILITIES

Finding

The review of leasing records for school facilities found that, lease #1016 was for the use of school gymnasium on December 12, 2015. However, the *Agreement* was not signed by a witness.

Recommendation

Leasing of school facilities should be administered in accordance with *School Board Policy 7.18* and related District guidelines. Specifically, to protect the best interest of the School District, all *Lease Agreements* should be executed with all the required signatures prior to the use of facilities by lessees.

West Boca Raton High School
Management Letter
Year Ended June 30, 2016

Management's Response

*Concur. We follow the School Board Policy 7.18 and related District regulations.
Administrator check all leases for compliance.*

William T. Dwyer High School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 13601 North Military Trail
Palm Beach Gardens, FL 33418

Principal:
Fiscal Year 2016: Glenda Sheffield
During Audit: Joe DePasquale

Treasurer:
Fiscal Year 2016: Connie Hodgdon
During Audit: Connie Hodgdon

Cash and Investments

Checking	\$ 385,912.07
Investments	
	\$ 385,912.07

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 37,110.52	\$ 193,863.23	\$ 165,816.89	\$ 30,481.63	\$ 47,160.34	\$ 48,478.15
Music	5,946.80	91,634.50	93,271.56	14,675.99	14,425.99	4,559.74
Classes	54,898.54	86,142.38	67,519.48	22,859.57	25,874.33	70,506.68
Clubs	34,191.03	172,358.03	155,384.42	42,496.25	42,872.41	50,788.48
Departments	55,751.05	132,079.15	144,647.61	56,523.56	41,788.62	57,917.53
Trusts	111,302.12	294,584.47	262,829.92	26,599.24	31,088.55	138,567.36
General	20,536.60	(4,743.29)	10,273.18	9,688.00	114.00	15,094.13
	\$ 319,736.66	\$ 965,918.47	\$ 899,743.06	\$ 203,324.24	\$ 203,324.24	\$ 385,912.07

SEGREGATION OF DUTIES

Finding

The incoming mails were sorted and distributed by staff other than the school treasurer. However, according to the school secretary, those mails addressed to the treasurer were given to her for opening and processing.

Recommendation

To safeguard school assets through proper segregation of duties, incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management's Response

Concur. Head secretary will now open Treasurer's mail.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of sample fundraiser records found that:

- The sponsors of the following two fundraisers did not complete the required eLearning Fundraiser Training Course prior to conducting the fundraiser activities:

Fundraiser Activity	Account Number	Activity Began	Training Completed
Athletic Parking Decal Sale	#1-0010.01	8/7/2015	1/6/2016
Military Ball	#4-3200.01	8/22/2015	11/16/2016

- The Athletic Parking Decal Sale (Account #1-0010.01) and the Military Ball (Account #4-3200.01) did not have the required *Fundraising Application/Recap Form*.
- The *Sales Item Inventory Report* for the Athletic Parking Decal Sale (Account #1-0010.01) was not approved by the Principal.

Recommendation

- To ensure staff understand and comply with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*. Most importantly, non-approved fundraisers could subject the school to unwarranted liabilities and unfunded debts.
- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.

Management's Response

Concur. Will ensure teachers will be trained. Will no longer approve fundraisers with missing applications. Will ensure all inventories are signed.

Other Schools

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Other Schools Summary of Audit Findings FY 2016 Internal Funds Audits

Other Schools	Community School / Summer Camp / Safe School Programs								Disbursements						Receipts						Leases					Other							Number of Findings					
	14	32	35	34	33	37	36	38	4	2	1	3	5	6	7	7a	8	12	9	10	31	28	27	30	29	29a	39	40	41	43	11	44		45	46	47		
	Fees Not Timely Transmitted to Central Office	Student Registration and Attendance Records Missing	Missing Timecard	Timecard Not Signed By Employee	Timecard Not Signed-Off By Supervisor	Payroll Did Not Match With Employee Timecard	Staff Incurred Excessive Hours	Program Deficit and/or High Staffing Level	Wages/Stipends Paid From Internal Funds	Inadequate Support for Disbursement	P-Card Related Findings	Disbursement Not Properly Approved	Purchases From School Employee	Disbursement Funded By Incorrect Account	Access to Drop Safe	Drop Safe Log Not Used Completely	Monies Not Deposited Timely	Receipts Recorded in Wrong Account	Copy of MCR Not Maintained by Sponsor	Monies Collected Not Properly Documented	Lease Prequalification Not Available	Lease Agreement Not Adequately Maintained	Inadequate Proof of Insurance	Fees Collected After Use	Undercharged Rental	Leasing Fee Collections Incorrectly Distributed	Monies and School Checks Not Adequately Safeguarded	Staff Performing Incompatible Duties	Bank Reconciliation Not Completed Timely	Adjustments to Records Not Properly Approved/Documented	Fundraisers Not Adequately Documented	Field Trips Not or Late Approved By Principal	Out of County Trips Not Approved By Area Superintendent	No Document Custodian Assigned for Prenumbered Documents	Periodic Inventory Not Performed for Prenumbered Documents			
Adult Education Center																																						0
Crossroads Academy																																						0
Delray Full Service Center																																					√	1
Gold Coast Community School																√																					√	2
Indian Ridge School																√																						1
Palm Beach Virtual School																																					√	0
Riviera Beach Preparatory & Achievement Academ										√	√					√	√					√		√												√	8	
Royal Palm School																	√																					1
South Intensive Transition School																√												√	√			√						4
Turning Points Academy														√																					√		√	4
Total (10 Schools)	0	0	0	0	0	0	0	0	0	1	2	0	0	1	0	4	2	0	0	0	0	1	0	1	0	0	1	1	0	0	3	0	1	1	2	21		

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**Adult Education Center
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 2161 North Military Trail
West Palm Beach, FL 33409

Principal:
Fiscal Year 2016: Rick Swearingen
During Audit: Rick Swearingen

Treasurer:
Fiscal Year 2016: Carolyn Jefferson
During Audit: Carolyn Jefferson

Cash and Investments

Checking	\$ 110,499.86
Investments	
	\$ 110,499.86

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	27.20	0.00	0.00	0.00	0.00	27.20
Trusts	13,349.50	258,765.40	251,781.75	93.90	10,978.90	9,448.15
General	77,543.73	24,012.00	11,416.22	10,885.00	0.00	101,024.51
	\$ 90,920.43	\$ 282,777.40	\$ 263,197.97	\$ 10,978.90	\$ 10,978.90	\$ 110,499.86

Adult Education Center
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Crossroads Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 225 S.W. 12th Street
 Belle Glade, FL 33430

Principal:
 Fiscal Year 2016: Diane Howard
 During Audit: Diane Howard

Treasurer:
 Fiscal Year 2016: Isabel C. Garcia
 During Audit: Isabel C. Garcia

Cash and Investments

Checking	\$ 2,833.46
Investments	
	\$ 2,833.46

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	652.00	633.75	196.00	196.00	18.25
Clubs	148.50	1,299.94	1,125.33	40.41	42.87	320.65
Departments	0.000	0.00	0.00	0.00	0.00	0.00
Trusts	955.20	9,834.10	8,341.04	674.69	674.69	2,448.26
General	158.32	3,291.51	3,405.99	173.48	171.02	46.30
	\$ 1,262.02	\$ 15,077.55	\$ 13,506.11	\$ 1,084.58	\$ 1,084.58	\$ 2,833.46

Crossroads Academy
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

**Delray Full Service Center
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 301 S.W. 14th Avenue
Delray Beach, FL 33444

Principal:
Fiscal Year 2016: Guarn Sims
During Audit: Brian Killeen

Treasurer:
Fiscal Year 2016: Brooke Englehaupt / Susana Figueroa
During Audit: Susana Figueroa

Cash and Investments

Checking	\$ 9,863.39
Investments	
	\$ 9,863.39

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	1,633.71	37,506.10	37,551.19	180.00	35.00	1,733.62
General	5,399.84	2,880.00	5.07	2,795.00	2,940.00	8,129.77
	\$ 7,033.55	\$ 40,386.10	\$ 37,556.26	\$ 2,975.00	\$ 2,975.00	\$ 9,863.39

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that at year-end, the school treasurer collected the yellow copies of MCRs from staff instead of the school secretary.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically, as required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary..."

Management's Response

Concur. Our new school treasurer is being trained in the proper procedures in dealing with the Drop Safe Log and Monies Collected Reports.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that the *Document Custodian Assignment Register (PBSD 1663)* was not maintained.

Recommendation

To ensure proper fiscal accountabilities and as required by *Chapter 27 of the Internal Accounts Manual*, designated staff should be assigned as document custodians for each prenumbered form; and the assignments should be recorded on the *Document Custodian Assignment Register (PBSD 1663)*.

Management's Response

Concur.

Gold Coast Community School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 4260 Westgate Avenue
West Palm Beach, FL 33409

Principal:
Fiscal Year 2016: Timothy Abrams
During Audit: Timothy Abrams

Treasurer:
Fiscal Year 2016: Blanca Figueroa
During Audit: Blanca Figueroa

Cash and Investments

Checking	\$ 6,128.92
Investments	
	\$ 6,128.92

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 222.35	\$ 981.30	\$ 1,090.95	\$ 876.05	\$ 876.05	\$ 112.70
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	12.81	619.00	212.71	354.42	722.00	51.52
Departments	206.62	102.50	51.05	0.00	0.00	258.07
Trusts	3,363.63	26,501.86	25,758.81	1,700.00	2,014.42	3,792.26
General	699.69	2,755.66	2,222.98	2,011.35	1,329.35	1,914.37
	\$ 4,505.10	\$ 30,960.32	\$ 29,336.50	\$ 4,941.82	\$ 4,941.82	\$ 6,128.92

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) at the school revealed that *Section 2* of the *Drop-safe Log* was signed only by the school treasurer. There is no evidence that an independent verifier was present to verify the deposit information when the safe was opened.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, the treasurer and an independent staff should jointly verify the contents of the safe against *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing.

Management's Response

Concur. The treasurer and independent staff will jointly verify the contents of the safe as required by the bulletin #P-14051-S/CFO

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of Yearbook Sales (Account #4-4810.03) noted:

- Did not have the required *Fundraiser Application/Recap Form* and *Sales Item Inventory Report*.
- Revenues from unrelated to Yearbook Sales (Yearbook Candy Gram Sales and Student Dress Out Sales) were recorded in the Yearbook Sales Account instead of designated decimalized accounts for those fundraisers.
- Actual sales revenues totaled \$277 and disbursements totaled \$649.65. As a result, this fundraiser incurred a deficit of \$372.65.

Recommendation

Fundraisers should be administered in accordance with *School Board Policy 2.16* and the related District guidelines. Specifically,

- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.

Gold Coast Community School
Management Letter
Year Ended June 30, 2016

- *Sales Item Inventory Report* should be prepared and completed with accurate information for each fundraiser. Accurate information will assist staff in reconciling the sales revenue with the estimated revenue. Moreover, the *Sales Item Inventory Report* should be approved by the Principal to confirm the legitimacy for any items that were given-away or missing.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Fundraisers sponsors will complete eLearning Fundraiser Training Course prior to conducting the fundraiser activities. Also fundraiser forms will be completed in accordance with School Board Policy.

Indian Ridge School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 1955 Golden Lakes Boulevard
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Natalie Cromwell
During Audit: Natalie Cromwell

Treasurer:
Fiscal Year 2016: Lilly Jochem / Yiset Paredes
During Audit: Yiset Paredes

Cash and Investments

Checking	\$ 58,815.72
Investments	
	\$ 58,815.72

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	4,414.83	240.80	7,573.32	12,744.41	5,873.17	3,953.55
Clubs	487.73	286.00	1,592.81	1,621.00	221.00	580.92
Departments	5,497.64	23,920.08	29,944.60	8,042.26	3,319.47	4,195.91
Trusts	45,875.53	43,056.29	17,635.36	105.66	25,235.08	46,167.04
General	7,530.54	1,629.55	17,377.18	12,778.38	642.99	3,918.30
	\$ 63,806.27	\$ 69,132.72	\$ 74,123.27	\$ 35,291.71	\$ 35,291.71	\$ 58,815.72

DEPOSIT OF MONIES

Finding

The review of the money collection process and sampling of *Monies Collected Reports* (MCRs) at the school found that *Section 3* for pages 12-72101 and 12-72113 were not signed by the staff verifier to confirm the treasurer's entering the deposit information into the Internal Funds Accounting System.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, (1) the treasurer and an independent staff should jointly verify the contents of the safe against *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing, and (2) the staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

Management's Response

Concur. Staff will be advised of mistake. Proper procedure will be reviewed with all staff who handle MCR reports.

**Palm Beach Virtual School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 9482 MacArthur Blvd
Palm Beach Gardens, FL 33403

Principal:
Fiscal Year 2016: Debra Johnson
During Audit: Debra Johnson

Treasurer:
Fiscal Year 2016: Aida Sterling
During Audit: Aida Sterling

Cash and Investments

Checking	\$ 1,490.37
Investments	
	\$ 1,490.37

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	62.50	0.00	0.00	62.50	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.000	0.00	0.00	0.00	0.00	0.00
Trusts	602.77	0.00	36.92	0.00	0.00	565.85
General	752.03	256.57	146.58	62.50	0.00	924.52
	\$ 1,354.80	\$ 319.07	\$ 183.50	\$ 62.50	\$ 62.50	\$ 1,490.37

Palm Beach Virtual School
Management Letter
Year Ended June 30, 2016

This audit revealed no material instances of noncompliance.

Riviera Beach Preparatory and Achievement Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 7071 Gardens Road
Riviera Beach, FL 33404

Principal:
Fiscal Year 2016: Elaine Hubbard Williams
During Audit: Elaine Hubbard Williams

Treasurer:
Fiscal Year 2016: Princess Pugh
During Audit: Princess Pugh

Cash and Investments

Checking	\$ 45,743.44
Investments	
	\$ 45,743.44

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$ 253.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 253.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	91.71	26,575.20	28,726.43	2,396.17	336.65	0.00
Clubs	374.64	0.00	0.00	0.00	0.00	374.64
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	35,193.73	68,434.69	57,136.92	14,500.00	16,559.52	44,431.98
General	691.80	0.00	7.98	7.98	7.98	683.82
	\$ 36,604.88	\$ 95,009.89	\$ 85,871.33	\$ 16,904.15	\$ 16,904.15	\$ 45,743.44

DEPOSIT OF MONIES

Finding

The review of the money collection process and sample *Monies Collected Reports* (MCRs) and at the school found that:

- *Section 3* of two pages of *Drop-safe Logs* (#14-15650 and #14-15951) was completed by the treasurer instead of an independent verifier.
- The school's *End-of-Year Check List 2015-2016* mistakenly instructed staff to submit the yellow copies of the MCRs and the computerized receipts to the treasurer (who is also the school secretary), for filing and future references.
- \$3,301.35 collected through 19 MCRs # (204-1 ,204-7, 204-2 ,204-3, 203-4, 204-8, 204-10, 204-11, 204-12, 217-3, 217-4, 217-5, 217-9, 226-2, 226-3, 226-4, 226-8, 226-9, and #226-10) was not timely processed by the school treasurer until 6 to 9 working days after the monies were put into the drop-safe by sponsors.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.
- As required by *Bulletin #P-14051-S/CFO* and *Internal Accounts Manual, Chapter 7's Record Retention Requirements*, at the year-end, "*Teacher/sponsors should submit their yellow copies of the MCR and computerized receipts to the School Secretary...*" Since the school's treasurer is also the school secretary, those documents should be submitted to another staff member for filing and future references.
- *DOE Rules* and *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

Concur. Work to ensure that all related staff comply with the Internal Accounts Manual.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that the senior Concession Stand (Account #3-2017.01) had the following exceptions:

- The account sponsor did not complete the required annual eLearning Fundraiser Training Course during Fiscal Year 2016.
- The *Fundraising Application/Recap Form* was not approved by the Principal until seven working days after the fundraising activities had begun.
- The *Sales Item Inventory Report* was not reviewed and approved by the Principal.
- Financial transactions unrelated to the fundraiser were recorded in the fundraiser account.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required annual eLearning Fundraiser Training Course prior to conducting fundraising activities.
- To ensure that fundraising activities are consistent with the School Board Mission, fundraisers should be pre-approved by the Principal and documented in the *Fundraising Application/Recap Form*.
- The Sales Item Inventory Report should be approved by the Principal to confirm the ending inventory, if any.
- To assist the school in evaluating and monitoring the performance of individual fundraisers, a separate decimalized account should be established for each fundraiser. The fundraiser account should include all the needed and accurate financial information.

Management's Response

Concur. Staff will complete fundraising training, in an effort to comply with guidelines related to school board policy.

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card records found that:

- One P-Card transaction (for \$135) on April 18, 2016, did not have supporting documentation for the expense.
- Disbursement #738 (for \$190.98) was a reimbursement to an employee for food. However, the disbursement was inadequately supported by a credit card receipt that did not have the details of the items purchased.
- Two Disbursements (#1020 for \$3,074 and #1027 for \$1,924.64) each exceeded the \$1,000 *Purchase Order* threshold, but did not have the required *Purchase Orders*.
- Four Disbursements (#705 for \$600, #764 for \$600, #1018 for \$1,550, and #1017 for \$1,200) were for catering services and senior pictures. However, these engagements did not have the required *School District Consultant Agreements (PBSD 1420)*.

Recommendation

Disbursements should be administered in accordance with *Internal Accounts Manual* and related District guidelines. Specifically,

- School expenditures should be adequately supported by itemized invoices/receipts. The issuance of school check should be supported by a *Check Requisition* signed by the sponsor and approved by the Principal. Without adequate supporting documentation and proper supervisor approval, there is no assurance that the expenses were appropriate.
- A *Purchase Order* approved by the Principal should be issued for each purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.
- To protect the safety and welfare of students, prior to the consultant performing services at the school: (1) the *School District Consultant Agreement (PBSD 1420)* should be properly executed with all the required dated signatures, and (2) the consultant's background and clearance checks must have been conducted and cleared as required by *Section 8 of the Agreement* and *Florida Statutes §1012.465 (Jessica Lunsford Act)*.

Management's Response

Concur. Principal and Sec will complete additional training for Internal Accounts.

LEASING OF SCHOOL FACILITIES

Finding

The review of records for leasing of school facilities found that:

- *Lease Agreements* were not always executed with all the required signatures in a timely manner. For example, seven leases (#s 1001, 1021, 1024, 1026, 1028, 1029 and #1033) were neither approved by the Principal through the Tririga System nor signed by the lessees and witnesses until 10 to 281 days after the leasehold periods began.
- *Lease #1026* had a total leasing charges of \$6,760; however, the school collected only \$4,949 from the lessee. As of July 13, 2016, the school had not collected the remaining \$1,811 from the lessee.
- Charges for seven leases (#s 1001, 1002, 1024, 1026, 1028, 1029, and 1033) were not collected from the lessees after the leasehold periods began. Delays ranged from 15 to 448 days.
- The *Certificate of Insurance* for Lease #1033 did not cover the entire lease period. The leasehold period began June 6, 2016; however, the insurance effective date was June 13, 2016, seven days after the leasehold period began.

Recommendation

Leasing of school facilities should be administered in accordance with ***School Board Policy 7.18*** and related District guidelines. Specifically,

- *Lease Agreement* should be executed with all the required signatures and dates, prior to lessees' use of the facilities.
- ***School Board Policy 7.18***, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours **prior to** the use of a facility.*"
- To protect the School District from unwarranted liability and as required by ***School Board Policy 7.18***, lessee must "*provide a copy of liability insurance policy in the amount of \$1,000,000, naming the School Board of Palm Beach County as an additional insured, with the Lease Agreement or purchase liability insurance from the School District.*" This will ensure the School Board is well protected.

Management's Response

Concur. Ensure attendance training for lease coordinator stay abreast of all policies.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents found that *Prenumbered Document Inventory Register (PBSD 0160)* was not maintained for the *Drop-Safe Logs*.

Recommendation

As required by *Chapter 27 of the Internal Accounts Manual*, to ensure all *Drop-safe Logs* are properly accounted for, the designated document custodian for the *Logs* should use the *Prenumbered Document Inventory Register (PBSD 0160)* to account for the usage and monthly inventory-check of the *Logs*.

Management's Response

Concur. Review policy regarding drop-safe log and monitor regularly.

Royal Palm School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016

Address: 6650 Lawrence Road
Lantana, FL 33462

Principal:
Fiscal Year 2016: Bradley S.L. Henry
During Audit: Bradley S.L. Henry

Treasurer:
Fiscal Year 2016: Kristen Casagni
During Audit: Kristen Casagni

Afterschool Site Director:
Fiscal Year 2016: Beverly Meg Davis
During Audit: Beverly Meg Davis

Cash and Investments

Checking	\$ 18,664.52
Investments	
	\$ 18,664.52

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	82.85	4,545.00	1,216.99	101.68	86.54	3,426.00
Clubs	300.00	2,220.45	1,306.04	982.34	1,696.75	500.00
Departments	3,538.50	5,053.26	5,750.26	1,119.62	2,382.05	1,579.07
Trusts	8,731.31	12,914.62	14,925.58	95.86	68.00	6,748.21
General	4,956.89	4,741.05	5,220.54	4,239.70	2,305.86	6,411.24
	\$ 17,609.55	\$ 29,474.38	\$ 28,419.41	\$ 6,539.20	\$ 6,539.20	\$ 18,664.52

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that monies collected were not always deposited in a timely manner. For example, \$1,079.11 collected through six MCRs (#s 569-2, 578-4, 521-9, 521-8, 555-2 and 555-3) was retained by the sponsors for one to two working days before the money was put into the drop-safe for deposit.

Recommendation

DOE Rules and the *Internal Accounts Manual* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after the collections. Delay in turning in the monies for deposit could result in potential irregularities.

Management's Response

569-2 – It was put in the drop box same day. 621-9 – It was put into Drop Box same day and stayed in safe until sponsor prepared it for deposit. 521-8 – It was put into Drop Box same day and stayed in safe until sponsor prepared it for deposit. 578-4 – It was retained by sponsor for a day. Administrator reminded her of procedure. 555-2 – It was held by staff member. Staff member no longer at RPS. 555-3 – It was held by staff member. Staff member no longer at RPS.

**South Intensive Transition School
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1509 Barton Road
Lake Worth, FL 33460

Principal:
Fiscal Year 2016: Reginald Jeudy
During Audit: Reginald Jeudy

Treasurer:
Fiscal Year 2016: Debbie Douglas
During Audit: Debbie Douglas

Cash and Investments

Checking	\$ 11,093.58
Investments	
	\$ 11,093.58

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	2,940.00	973.26	2,940.00	2,940.00	1,966.74
Departments	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	4,432.97	4,172.00	2,098.04	0.00	0.00	6,506.93
General	373.33	4,118.92	1,872.34	529.72	529.72	2,619.91
	\$ 4,806.30	\$ 11,230.92	\$ 4,943.64	\$ 3,469.72	\$ 3,469.72	\$ 11,093.58

SAFEGUARDING OF ASSETS

Finding

During the audit, the data processor disclosed that the school's drop safe was usually unlocked most of the time. Consequently the contents of the safe are not properly safeguarded. Moreover, collections in the safe can be retrieved without the assistance of an independent staff verifier.

Recommendation

To ensure assets are safeguarded properly, access to drop-safe should be restricted only to authorized personnel. *Chapter 7* of the *Internal Accounts Manual* states "the safe combination may be shared between two or more trustworthy members of the office staff (such as the school treasurer, data processor, assistant principal, or secretary) with each person having a portion of the combination, so it must take two individuals to open the safe in the principal's absence.

Management's Response

Concur. Per Chapter 7 of the Internal Accounts Manual, the school safe will remain locked and will be opened by two staff members. The safe combination will be distributed to two trustworthy staff members, each having a portion of the combination.

DEPOSIT OF MONIES

Finding

The review of money collection process and sample *Monies Collected Reports* (MCRs) at the school found that:

- *Section 2* of the *Drop-safe Log* was signed only by the school treasurer. There is no evidence that an independent verifier was present to verify the deposit information when the safe was opened.
- The incoming mails were sorted and distributed by staff other than the school treasurer. However, during the audit, we noted that mails addressed to the treasurer, who is also the school secretary, were given to her for opening.

Recommendation

Money collections should be administered in accordance with *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*, *Internal Accounts Manual*, and District guidelines. Specifically,

- To ensure proper fiscal accountability and comply with *Internal Accounts Manual* and *Bulletin #P-14051-S/CFO*, responsible staff should complete the *Drop-safe Log* with all the required

information. Activity sponsor should complete *Section 1* of the *Log* before dropping off the collections into the safe. The treasurer and an independent staff verifier should jointly complete *Section 2* of the *Log* to confirm that the deposits from the safe were removed by the treasurer for processing. The verifier should also complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school's accounting system.

- To ensure fiscal accountability and prevent and detect potential irregularities, segregation of duties should be enforced at the school. Incoming mails should be received and opened by different staff members. Payments, if any, received in the mails should be recorded on a *Monies Collected Report* (MCR) by the staff who opens the mail, prior to providing the collections to the bookkeeper for deposit.

Management's Response

Concur. Section 2 of the Drop-safe Log will be signed by an independent verifier when the safe is opened (along with the Treasurer). Incoming mail, will be opened by a different staff member to determine if any payments are being received. Payments, if any, will be recorded on a MCR by the staff member opening the mail, prior to presenting them for deposit.

DOCUMENTATION FOR FUNDRAISERS

Finding

The review of fundraiser records revealed that:

- Activities for the Student Shirt Sales (Account #7-0100.03) began August 3, 2015. However, the sponsor for this fundraiser did not complete the eLearning Fundraiser Training Course until January 6, 2016; i.e., five months after fundraiser activities began.
- The *Sales Item Inventory Report* for the Student Shirt Sale (Account # 7.0100.03) was not approved by the school treasurer instead of the Principal.

Recommendation

Fundraisers should be administered in accordance with ***School Board Policy 2.16*** and related District guidelines. Specifically,

- To ensure staff is familiar with and complying with the updated fundraising procedures, fundraiser sponsors should complete the required eLearning Fundraiser Training Course annually prior to conducting fundraising activities.
- The *Sales Item Inventory Report* should be approved by the Principal to confirm the ending inventory, if any.

South Intensive Transition School
Management Letter
Year Ended June 30, 2016

Management's Response

Concur. Sponsors will be required to complete the required eLearning Fundraiser Training Course prior to conducting any fundraising activities. The sales item inventory report will be signed by the Principal/Designee to confirm the ending inventory, if any.

Additional Comments

Although we concur with the findings in the Management Letter for the Year Ended June 30, 2016, we believe that the staff has done an excellent job of managing the duties as assigned. South Intensive has no budgeted Treasurer position and no office staff other than the School Administrative Assistant (Secretary) and the Data Processor, presenting specific challenges to ensuring segregation of duties. Every effort will be made to comply.

**Turning Points Academy
Internal Fund Accounts
Combining Statement of Changes in Cash and Investments – Cash Basis
Year Ended June 30, 2016**

Address: 1950 Benoist Farms Road
West Palm Beach, FL 33411

Principal:
Fiscal Year 2016: Anthony Allen
During Audit: Anthony Allen

Treasurer:
Fiscal Year 2016: Alberta Spann
During Audit: Alberta Spann

Cash and Investments

Checking	\$ 1,763.85
Investments	
	\$ 1,763.85

	Beginning Balances	Receipts	Disbursements	Transfers In	Transfers Out	Ending Balances
Athletics	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Music	0.00	0.00	\$0.00	0.00	0.00	0.00
Classes	0.00	0.00	0.00	0.00	0.00	0.00
Clubs	0.00	0.00	0.00	0.00	0.00	0.00
Departments	0.000	0.00	0.00	0.00	0.00	0.00
Trusts	387.78	2,624.44	3,004.22	0.00	0.00	8.00
General	1,436.83	2,523.85	2,204.83	359.85	359.85	1,755.85
	\$ 1,824.61	\$ 5,148.29	\$ 5,209.05	\$ 359.85	\$ 359.85	\$ 1,763.85

DOCUMENTATION FOR DISBURSEMENTS

Finding

The review of sample disbursements and P-Card purchases found that:

- One P-Card purchase for \$ 1,450 (occurred on February 19, 2016) exceeded the \$1,000.00 per vendor per day limit, but did not have the prior approval from Purchasing Department.
- Three P-Card Transactions (for \$ 1,833.56) during February 2016, were for payments of hotel and student meals for an out-of-county field trip. However, the *Field Trip/Activity Planning Report and Approval Request* (PBSD 1894) was not approved by the Area Superintendent.
- The supporting documentation, such as invoices/receipts for three disbursements (#10124, #10127, and #10251) totaling \$ 1709, were not defaced (stamp “PAID”) after payments in order to avoid duplicate payment.

Recommendation

Disbursement procedures should be administered in accordance with **Internal Accounts Manual, Purchasing Card Procedures (Purchasing Manual Chapter 24)**, and related District guidelines. Specifically,

- P-Card purchase in excess of \$1,000 should be pre-approved by Purchasing.
- Field trips should be administered in accordance with *School Board Policy 2.40*. Specifically, (1) field trips should be pre-approved by the Principal with adequate documentation, (2) in-county field trips should be approved by the Principal, and (3) out-of-county field trips should be approved by the Principal and Regional/Instructional Superintendent.
- To avoid duplicate payments, supporting documentation should be defaced (stamped “PAID”) after payment.

Management’s Response

Concur.

PRENUMBERED DOCUMENTS

Finding

The review of controls in prenumbered documents revealed that the school did not maintain the *Prenumbered Document Inventory Register (PBSD 0160)* for *Drop Safe Log* and Checks. Moreover, the *Document Custodian Assignment Register (PBCD 1663)* was not signed by the principal.

Recommendation

To ensure proper fiscal accountability and as required *by Chapter 27 of the Internal Accounts Manual*, the Document Custodian for each prenumbered document, including *Drop-Safe Logs* and Checks, should use the *Prenumbered Document Inventory Register (PBSD 0160)* to confirm the periodic inventory check of the forms.

Management's Response

Concur.

