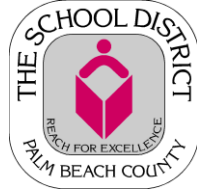


Special Review Of
2017 Summer Camp Fee Collections At
Banyan Creek Elementary School

September 28, 2018

Report #2018-12



MISSION STATEMENT

The School Board 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.

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Special Review Of
2017 Summer Camp Fee Collections At
Banyan Creek Elementary School
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Special Review Of
2017 Summer Camp Fee Collections At
Banyan Creek Elementary School
EXECUTIVE SUMMARY

During the *Fiscal Year 2017 Internal Funds Audit* of Banyan Creek Elementary School, significant discrepancies were noted between the 2017 Summer Camp fee collection records and the Internal Funds deposit records. As a result, the Office of Inspector General (OIG) initiated a special review to determine if the 2017 Summer Camp fees were properly accounted for. This special review produced the following major conclusions:

1. \$5,570 Missing

Based on the school's Internal Funds and Credit Card Payment records, the school collected a total of \$82,045.19 (\$31,825.19 in cash and checks, and \$50,220 in credit card payments) from the 2017 Summer Camp Program. However, based on the available student registrations and attendance records, this program should have generated a total revenue of \$87,615.12 (not including the Early Learning Coalition subsidies). As a result, it appeared that an estimated \$5,569.93 in program fees were missing. During interviews by School Police, the school's former Afterschool Site Director admitted that she had taken some of the Summer Camp monies from the school.

Management's Response:

Director of Extended Learning (Afterschool Programming):

- *Throughout the summer sites are required to submit ledger audit reports. These reports are reviewed at the time of the summer camp fiscal review. The adjustments done at this site were done after the summer camp program was over. Extended Learning will begin checking the camp database for any ledger adjustments done in the camp database during the school year review.*
- *All afterschool directors are required to take a fiscal management training once every other year that reviews collection policies and best practices.*
- *The Afterschool Programs Operational Manual, section 3 page 4, states 2 "Cash and money orders must be receipted at the time they are received".*
- *On 2/2/2018, sites were given a directive that they must display a flyer at the sign-out/money collection location informing parents that they must receive a receipt for payment.*

(Please see page 8.)

2. \$2,423 in Lost Revenue through Misapplied Subsidy Credits

Our examination of the Early Learning Coalition subsidy credits in the EZ-Care2 database for the 2017 Summer Camp Program noted that some subsidy credits were incorrectly recorded in the database, resulting in a loss of \$2,423.24 in program revenue.

Management's Responses:

Current Principal of Banyan Creek Elementary School: Based on the information within the report and conversations with Mrs. Castellano we concur with the findings. Summer Camp fees are now being collected using the on-line process and if a parent is not able to complete an on-line payment they will receive a receipt for any payments made. Additionally, the summer camp staff will retain copies of receipts and transactions on fees collected. As for collecting funds from the three students parents, I do not have their names and would like to know so we can make attempts to recoup subsidies monies from the 2017 summer camp. (Please see page 6.)

OIG Comment: The names of the three parents were provided to the current Principal on July 26, 2018.

Former Principal of Banyan Creek Elementary School: I concur with the findings. (Please see page 6.)

Director of Extended Learning (Afterschool Programming):

- *Directors receive training on subsidies and ledger adjustments at minimum once every other year*
- *The Afterschool Programs Operational Manual, section 3 page 2, outlines policies on issuing subsidy credits*
- *A summer camp fiscal review is conducted each year with review of subsidized accounts*

(Please see page 8.)

FURTHER ACTIONS AFTER AUDIT FIELDWORK

Referral to School Police. On December 21, 2017, we discussed with School Police about the potential theft of funds at the school. Subsequent to our discussion with School Police, the school's former Afterschool Site Director was reassigned to another work location pending the completion of School Police investigation.

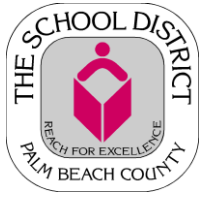
Referral to State Attorney's Office. On April 11, 2018, School Police completed its investigation and forwarded its conclusions to the State Attorney's Office for further action.

Subject Arrested. On June 30, 2018, the subject employee was arrested and charged with grand theft.

Subject Terminated by the District. On April 16, 2018, the School District notified the subject employee that she was non-reappointed for Fiscal Year 2019; and her employment with the District was terminated effective June 5, 2018.

Due Process. In accordance with *School Board Policy 1.092*, a 20-day letter, with the draft report, was sent by regular mail and Certified Mail with Return Receipt on July 23, 2018, to subject for a response. On August 13, 2018, the Certified Mail was returned to our Office by the Post Office marked as "unclaimed" mail. As of September 20, 2018, no response was received from the subject former employee.

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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
Hotline: (855) 561-1010

LUNG CHIU, CIG, CPA
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DONALD E. FENNOY II, Ed.D., SUPERINTENDENT

MEMORANDUM

To: Honorable Chair and Members of the School Board
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Chair and members of the Audit Committee

From: Lung Chiu, CPA, Inspector General

Date: September 28, 2018

Subject: Special Review of 2017 Summer Camp Fee Collections
at Banyan Creek Elementary School

PURPOSE AND AUTHORITY

During the *Fiscal Year 2017 Internal Funds Audit* of Banyan Creek Elementary School, significant discrepancies were noted between the 2017 Summer Camp fee collection records and the Internal Funds deposit records. As a result, the Office of Inspector General (OIG) initiated a special review to determine if the 2017 Summer Camp fees were properly accounted for.

SCOPE AND METHODOLOGY

This special review included the examination of fee collection records for the 2017 Summer Camp, and the following:

- General Ledgers for the school's Internal Funds Accounting System (SchoolCash.net system)
- Registration and fee collection reports from the Summer Camp Registration and Fee Collection System (EZ-Care2 System)
- Summer Camp attendance records
- Subsidy Certificates from Early Learning Coalition
- School District's *Afterschool Programs Operational Manual* and *Afterschool Programs Camp Operational Manual*

Draft findings were sent to the school, the District's Extended Learning Department, and the Financial Management Division for management review and comments. Their responses are included in the Appendix. We appreciate the courtesy and cooperation extended to us by staff during the review. The final draft report was included in the September 28, 2018, Audit Committee Meeting Agenda.

BACKGROUND

The District's Afterschool Program (ASP) operates summer camps at selected schools. Summer camps are self-supported by fees which are to be paid in advance of camp attendance. Banyan Creek Elementary School offered summer camp from June 5 through July 28, 2017. Camp payments were recorded in the ASP registration and receipting program, EZ-Care2.

During the *2017 Internal Funds Audit* of Banyan Creek Elementary School in October 2017, we noted a discrepancy between the collections reported by EZ-Care2 and the school's Internal Funds accounting system (SchoolCash.net). The school audit disclosed that some cash payments were entered into the system through adjustments to the ledgers.

Because of the discrepancy, we initiated the special review of the school's 2017 Summer Camp fee collections.

FURTHER ACTIONS AFTER REVIEW FIELDWORK

Referral to School Police. After the review fieldwork, on December 21, 2017, the OIG discussed with School Police about the potential theft of funds at the school. Subsequent to our discussion with School Police, the former ASP Site Director was reassigned to another work location pending the completion of School Police investigation. An Interim ASP Site Director was assigned to supervise the school's Afterschool Program. While the Interim Director attempted to collect overdue fees for the Fall 2017 Afterschool Program, several parents indicated that they had already paid the fees.

Referral to State Attorney's Office. On April 11, 2018, School Police completed its investigation and forwarded its conclusions to the State Attorney's Office for further action. On June 30, 2018, the subject employee was arrested and charged with grand theft.

Subject Terminated by the District. On April 16, 2018, the School District notified the subject employee that she was non-reappointed for Fiscal Year 2019; and her employment with the District was terminated effective June 5, 2018.

Due Process. In accordance with *School Board Policy 1.092*, a 20-day letter, with the draft report, was sent by regular mail and Certified Mail with Return Receipt on July 23, 2018, to subject for a response. On August 13, 2018, the Certified Mail was returned to our Office by the Post Office marked as "unclaimed" mail. As of September 20, 2018, no response was received from the subject former employee.

CONCLUSIONS

1. \$5,570 Missing

Unauthorized Adjustments of Payment Records. A review of the EZ-Care2 Database determined that the former ASP Site Director made 24 adjustment entries to 12 ledger accounts on October 30, 2017, that totaled \$6,503. Each adjustment had been back-dated and noted as a cash payment. After the adjustments, the affected ledger accounts showed zero balances, instead of receivables from the parents.

On December 20, 2017, we interviewed the former ASP Site Director to determine the reason for the adjustments. She stated that the reason to make the adjustments was to zero-out the account receivable balances in these accounts, because she did not want to receive an audit finding for not collecting payments from certain families. However, she also stated that she had begun collecting the outstanding balances from parents, and provided us with four handwritten *SACC Receipts* that totaled \$1,330 with collection dates from December 1 through December 15, 2017.

Confirmation with Parents. On December 21, 2017, we contacted the parents recorded on two of the four handwritten *SACC Receipts* provided by the former Site Director to confirm if they did make the December payments. Both parents indicated that they did not make any Summer Camp payments in December; instead, they paid camp fees in cash before the start of each camp session. Based on this new information, we immediately contacted School Police on December 21, 2017, and discussed the potential theft by the ASP Site Director.

\$5,570 in Program Fees Missing. Based on the school's Internal Funds and Credit Card Payment records, the school collected a total of \$82,045.19 (\$31,825.19 in cash and checks, and \$50,220 in credit card payments) from the 2017 Summer Camp Program. However, based on the available student registrations and attendance records, this program should have generated a total revenue of \$87,615.12 (not including the Early Learning Coalition subsidies). As a result, it appeared that an estimated \$5,569.93 in program fees were missing.

During interviews by School Police, the former ASP Site Director admitted that she had taken some of the Summer Camp monies from the school.

Management's Response:

Director of Extended Learning (Afterschool Programming):

- *Throughout the summer sites are required to submit ledger audit reports. These reports are reviewed at the time of the summer camp fiscal review. The adjustments done at this site were done after the summer camp program was over. Extended Learning will begin checking the camp database for any ledger adjustments done in the camp database during the school year review.*

- *All afterschool directors are required to take a fiscal management training once every other year that reviews collection policies and best practices.*
- *The Afterschool Programs Operational Manual, section 3 page 4, states 2 “Cash and money orders must be receipted at the time they are received”.*
- *On 2/2/2018, sites were given a directive that they must display a flyer at the sign-out/money collection location informing parents that they must receive a receipt for payment.*

(Please see page 8.)

2. \$2,423 in Lost Revenue through Misapplied Subsidy Credits

The Palm Beach County Early Learning Coalition (ELC) provides subsidy to eligible students for attending Afterschool and Summer Camp Programs. *Child Care Certificates* are issued to the parents and the school. The ASP Site Director applies the subsidy credits to the students’ accounts in the EZ-Care2 database. The ASP Site Director is required to submit student attendance records online through ELC’s Provider Portal by the third business day of each month in order to receive the subsidy payments from ELC.

We examined the ELC subsidy credits in the EZ-Care2 database for the 2017 Summer Camp Program, and noted that some subsidy credits were incorrectly recorded in the EZ-Care2 database, resulting in a loss of \$2,423.24:

- \$881.12 in subsidy was incorrectly credited to a non-ELC eligible student account.
- \$573.60 in subsidy was over-credited to two ELC student accounts (\$286.80 each).
- \$968.52 in subsidy was deducted from 11 ELC student accounts for their absences. Specifically, if a student exceeds a certain number of absences, those absent days would not be reimbursed by ELC. However, subsidy credits were applied for all the days of the camp sessions and were not adjusted for absences.

Recommendation

Subsidy credits should be applied to account ledgers in accordance with the District’s *Afterschool Programs Operational Manual*, *Afterschool Programs Camp Operational Manual*, and related guidelines. The school should recoup the \$1,454.72 undercharged fees from the three students.

Management’s Responses:

Principal of Banyan Creek Elementary School: Based on the information within the report and conversations with Mrs. Castellano we concur with the findings. Summer Camp

fees are now being collected using the on-line process and if a parent is not able to complete an on-line payment they will receive a receipt for any payments made. Additionally, the summer camp staff will retain copies of receipts and transactions on fees collected. As for collecting funds from the three students parents, I do not have their names and would like to know so we can make attempts to recoup subsidies monies from the 2017 summer camp. (Please see page 6.)

OIG Comment: The names of the three parents were provided to the current Principal on July 26, 2018.

***Former Principal of Banyan Creek Elementary School:** I concur with the findings. (Please see page 6.)*

Director of Extended Learning (Afterschool Programming):

- *Directors receive training on subsidies and ledger adjustments at minimum once every other year*
- *The Afterschool Programs Operational Manual, section 3 page 2, outlines policies on issuing subsidy credits*
- *A summer camp fiscal review is conducted each year with review of subsidized accounts*

(Please see page 8.)

– End of Report –

Management's Response
Principal of Banyan Creek Elementary School



Randy Law <randy.law@palmbeachschools.org>

Fwd: Special Review of 2017 Summer Camp Fee Collections at Banyan Creek Elementary School

1 message

Gerald Riopelle <gerald.riopelle@palmbeachschools.org> Thu, Jul 26, 2018 at 11:08 AM
To: Randy Law <randy.law@palmbeachschools.org>
Cc: Allison Castellano <allison.castellano@palmbeachschools.org>, Gerald Riopelle <gerald.riopelle@palmbeachschools.org>

Mr. Law,

It was great speaking to you earlier today. Based on the information within the report and conversations with Mrs. Castellano we concur with the findings. Summer Camp fees are now being collected using the on-line process and if a parent is not able to complete an on-line payment they will receive a receipt for any payments made. Additionally, the summer camp staff will retain copies of receipts and transactions on fees collected. As for collecting funds from the three students parents, I do not have their names and would like to know so we can make attempts to recoup subsidies monies from the 2017 summer camp.

Thank you for your assistance.

--

Thank you,

Jerry Riopelle
Principal
Banyan Creek Elementary School
Phone: 561-894-7100 PX - 87103
Fax: 561-894-7150
<https://bces.palmbeachschools.org>

RECEIVED
JUL 26 2018
INSPECTOR GENERAL

----- Forwarded message -----

From: Allison Castellano <allison.castellano@palmbeachschools.org>
Date: Wed, Jul 25, 2018 at 6:09 PM
Subject: Fwd: Special Review of 2017 Summer Camp Fee Collections at Banyan Creek Elementary School
To: Gerald Riopelle <gerald.riopelle@palmbeachschools.org>

I just realized the original memo was sent to you with just a cc to me. I read that as they want a response from your with regards to their corrective actions and target date of completion based on their recommendation to recoup the subsidy monies.

What do you think?

I concur with the findings.

Allison

Allison L. Castellano, M.Ed., NBCT
Principal, Omni Middle School
5775 Jog Road
Boca Raton, FL 33496
(561) 989-2800

email: allison.castellano@palmbeachschools.org

Management's Response
Director of Extended Learning (Afterschool Programming)



Randy Law <randy.law@palmbeachschools.org>

Fwd: Special Review of 2017 Summer Camp Fee Collections at Banyan Creek Elementary School

1 message

Kiwana Alexander Prophete <kiwana.alexanderprophete@palmbeachschools.org>
To: Randy Law <randy.law@palmbeachschools.org>

Mon, Aug 13, 2018 at 12:01 PM

Hi Randy,

Please view the attachments regarding the response for the Audit Findings at Banyan Creek.

Kiwana

--
Kiwana Alexander-Prophete, Ed.S.
Director
Extended Learning (Afterschool Programming)
School District of Palm Beach County
Gold Coast Community School P-8
4260 Westgate Ave West Palm Beach, FL 33409
Office: 561- 687-6388 or PX 76387



2 attachments

Banyan Creek Findings.docx
14K

Banyan Creek Findings.docx
14K

Management's Response
Director of Extended Learning (Afterschool Programming)

Banyan Creek Findings

\$5,570.00 Missing cash

- Throughout the summer sites are required to submit ledger audit reports. These reports are reviewed at the time of the summer camp fiscal review. The adjustments done at this site were done after the summer camp program was over. Extended Learning will begin checking the camp database for any ledger adjustments done in the camp database during the school year review.
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\$2,423 in Lost Revenue through Misapplied Subsidy Credits

- Directors receive training on subsidies and ledger adjustments at minimum once every other year
- The Afterschool Programs Operational Manual, section 3 page 2, outlines policies on issuing subsidy credits
- A summer camp fiscal review is conducted each year with review of subsidized accounts