

Special Audit of
Palmetto Elementary School's
SACC & Summer Camp
Revenue Collection

December 12, 2008

Report 2008-18

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Palmetto Elementary School's
SACC & Summer Camp Revenue Collection

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THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

LUNGCHIU, CPA
DISTRICT AUDITOR

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SUPERINTENDENT

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MEMORANDUM

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

FROM: Lung Chiu, CPA, District Auditor

DATE: December 12, 2008

SUBJECT: Special Audit of Palmetto Elementary School's
SACC & Summer Camp Revenue Collection

PURPOSE AND AUTHORITY

In response to the Principal's request, we have audited Palmetto Elementary's 2007 Summer Camp and School Age Child Care (SACC) Revenue Collection for July 1, 2006, through March 10, 2008. The primary objective of the audit was to determine whether the 2007 Summer Camp and SACC revenues for the specific period were properly accounted for in the school's Internal Accounts.

SCOPE AND METHODOLOGY

The audit was performed in accordance with *Generally Accepted Government Auditing Standards* by Susan Miller, CIA, and Stephanie Steeves, CIA, during March 17, through April 18, 2008, and included:

- Reviewing SACC Kids Care database
- Reviewing *SACC Receipts* and *Monies Collected Reports* (MCRs)
- Reviewing General Ledger
- Interviewing staff

Draft findings were sent to the school for review and comments. Management response is included in the Appendix. We appreciate the courtesy and cooperation extended to us by school staff during the audit. The final draft report was presented to the Audit Committee at its December 12, 2008, meeting.

BACKGROUND

After the Department of After School Programming identified several questionable fee adjustments in the KidsCare database, on March 17, 2008, the Principal requested an audit of the school's SACC and Summer Camp Programs. Subsequently, we confirmed instances of program noncompliance with District rules in financial controls and accountability. As a result, we referred the audit conclusions to the School Police Department on April 4, 2008, for further investigation. School Police completed its investigation on June 3, 2008, and the results were referred to State Attorney for further actions. On August 29, 2008, Employee Relations informed us that subject employee resigned from the District effective June 9, 2008, and the case was closed.

CONCLUSIONS

\$17,839.41 in SACC Fees Missing

SACC fees were collected by several SACC employees at the school, and manual *SACC Receipts* were issued to parents for fee collections. SACC employees dropped off the yellow copies of the *SACC Receipts* with the monies collected into a lock-box. The SACC director, who is the only person has the key to access the lock-box, recorded the collections in the KidsCare Database (SACC's Student Information and Accounting System.) After recording the fee collections, the SACC director submitted the monies, together with other documentation, to the bookkeeper for deposit.

We compared the information on the manual SACC Receipts, the KidsCare's fee collection records, and the school's Internal Accounts General Ledger for July 1, 2006, through March 10, 2008. We noted that a total of \$17,839.41 in SACC fees collected for 199 *SACC Receipts* was missing. Specifically,

- Instead of recording cash received in KidsCare, adjustments were made to reduce parents' unpaid balances when cash was received. However, the collections were not deposited in the school's Internal Accounts.
- Some *SACC Receipts* were neither recorded in KidsCare nor deposited in the school's Internal Accounts.
- Some *SACC Receipts* were both recorded in KidsCare and deposited in the school's Internal Accounts; however, the amounts were different from those indicated on the *SACC Receipts*.

The following exhibit provides details for the missing monies:

SACC Monies Missing
July 1, 2006 through March 10, 2008

Irregularities	SACC		2007 Summer Camp	Total Missing
	July 1, 2006, Through June 30, 2007	July 1, 2007, Through March 10, 2008		
Receipts recorded as adjustments in the KidsCare. Monies were not deposited in Internal Accounts	\$170.00	\$10,095.72	\$3,455.00	\$13,720.72
Receipts were neither recorded in the KidsCare nor deposited in Internal Accounts	276.05	1,941.00	1,971.64	4,188.69
Receipts recorded at different amount than collected			(70.00)	(70.00)
Total Missing	\$446.05	\$12,036.72	\$5,356.64	\$17,839.41

To ensure corrective actions were implemented immediately, we referred the audit conclusions to the School Police for further investigation.

Management's Response: *I concur. Please be aware that I instigated the request for this extraordinary audit, based on discrepancies detected by the District's SACC office administration.*

The director of the Palmetto Elementary School SACC program has been removed from her position and has been reassigned to another department, until all components of the investigation are completed and a final recommendation is made.

In light of the fact that the misappropriation of SACC funds constitute the criminal activity and further damaged the fiscal integrity of a high needs school, and its reputation, I recommend the most severe appropriate action against said person.

– End of Report –

Management's Response



PALMETTO ELEMENTARY SCHOOL

5801 Parker Avenue, West Palm Beach, Florida 33405

(561) 202-0401

Raúl R. Iribarren
Principal

Karen A. Berard
Assistant Principal

RECEIVED
APR 25 2008

DISTRICT

MEMORANDUM

TO: Mr. Lung Chiu, District Auditor
FROM: Raúl R. Iribarren, Principal *RRI*
DATE: April 24, 2008
SUBJECT: **Response to Audit Findings- SACC Program, Palmetto Elementary School.**

I concur with the findings submitted to me by your auditors indicating a shortfall of \$17,839.00 in our School Age Child Care (SACC) Program. Please, be aware that I instigated the request for this extraordinary audit, based on discrepancies detected by the District's SACC office administration.

The director of the Palmetto Elementary School SACC program has been removed from her position and has been reassigned to another department, until all components of the investigation are completed and a final recommendation is made.

In light of the fact that the misappropriation of SACC funds constitute a criminal activity and further damaged the fiscal integrity of a high needs school, and its reputation, I recommend the most severe appropriate action against said person.

If you wish additional information, please call me at PX 80437. Thank you.

Cc: Rod Montgomery
Susan Miller
Joanne Beckner

