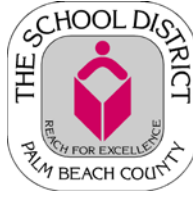


**Investigation of  
West Riviera Elementary School's  
SACC Revenue Collections**

**April 13, 2012**

**Report #2012-07**



## **MISSION STATEMENT**

The School Board of Palm Beach County is committed to excellence in education and preparation of all our students with the knowledge, skills, and ethics required for responsible citizenship and productive employment.

E. Wayne Gent \*  
Superintendent of Schools

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David Talley

### **Representatives \***

Dr. Susan Atherley, Principal Representative  
Debra Wilhelm, CTA President  
Sheryl Wood, Esq., General Counsel

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**Investigation of  
West Riviera Elementary School's  
SACC Revenue Collections**

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THE SCHOOL DISTRICT OF  
PALM BEACH COUNTY, FLORIDA

LUNG CHIU, CPA  
DISTRICT AUDITOR

E. WAYNE GENT  
SUPERINTENDENT

OFFICE OF THE DISTRICT AUDITOR  
3318 FOREST HILL BLVD., C-306  
WEST PALM BEACH, FL 33406

(561) 434-7335 FAX: (561) 434-8652

## MEMORANDUM

TO: Honorable Chair and Members of the School Board  
E. Wayne Gent, Superintendent of Schools  
Chair and Members of Audit Committee

FROM: Lung Chiu, CPA, District Auditor

DATE: April 13, 2012

SUBJECT: Investigation: West Riviera Elementary School's SACC Revenue Collections

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### PURPOSE AND AUTHORITY

During the *2011 Annual Internal Funds Audit of West Riviera Elementary School*, we noted certain inconsistencies in the revenue collection process for the school's School Age Child Care (SACC) Program. As a result, we performed a special investigation of the SACC revenue collections for August 1, 2010, through September 9, 2011. The primary objective of this investigation was to determine whether all SACC revenues were properly collected and accounted for during the audit period.

### SCOPE AND METHODOLOGY

The investigation was performed in accordance with *Generally Accepted Government Auditing Standards* by Susan Miller, CIA, during September 9 - 13, 2011 and included:

- Reviewing SACC Program's KidsCare and EZ Care databases
- Reviewing *Monies Collected Reports* (MCRs)
- Reviewing SACC Program Parent Sign-out Sheets
- Reviewing Subsidy Attendance Verifications and Subsidy Payment Reports
- Reviewing General Ledger and *Drop-Safe Log*
- Interviewing parents and staff

Draft findings were sent to the school for review and comments. Management responses are included in the Appendix. We appreciate the courtesy and cooperation extended to us by staff during the investigation. The final draft report was presented to the Audit Committee at its April 13, 2012, meeting.

## **REFERRALS**

Referral to School Police and Employee Relations. Due to the irregularities identified during our investigation, on September 9, 2011, we referred our findings to School Police and Employee Relations Departments for further actions. Two concerned employees were immediately removed from the school and reassigned to other work locations on the same date, pending police and personnel investigations.

Referral to State Attorney. In December 2011, School Police completed its investigation and the conclusions were forwarded to State Attorney for further actions.

## **CONCLUSIONS**

### **1. \$20,151 Unaccounted For**

Some SACC Revenue Collections Held by SACC Director for Over 10 Months. On September 9, 2011, while we were auditing the school's internal accounts for Fiscal Year 2011, the SACC director approached and informed the school principal that she had been holding the monies collected from SACC Program and surrendered a bag of cash and money orders totaling \$5,073.81. The SACC director indicated that the monies were program fees collected from SACC parents during November 2010, and June 2011. Furthermore, the SACC director provided a handwritten ledger in a bound notebook detailing the collections by family. The ledger entries totaled \$5,094.95, \$21.14 more than the actual money surrendered.

Old Software Program Was Still Available. The SACC director indicated that she was not comfortable with the new EZ Care database and did not want to use it. EZ Care is the student information and accounting software mandated for use by all schools for SACC Programs replacing the previous computer software, KidsCare. All SACC directors received training on the use of both databases. The Department of Afterschool Programming confirmed that EZ Care was installed at West Riviera Elementary during the third week of August 2011.

KidsCare, however, was still available to the West Riviera Elementary SACC director for the entire 2011 School Year during August 2010 and June 2011. A review of this database for August 2010 through June 2011 found that financial data (charges and payments) were incomplete. No charges were posted to parent accounts and the last payment entry was posted on November 18, 2010. Review of available parent sign-out sheets indicated that 77 students enrolled and participated in the SACC program during August 2010 and June 2011. However, information for 14 of the students was not entered into the KidsCare database; and two students did not have registration forms.

Money Unaccounted For. We examined each student’s program registration, attendance, and parent payment requirements. Based on the available records from Family Central subsidy billings, we estimated that \$23,858 should have been collected from the 77 participating students during 2011 School Year. Moreover, the school’s SACC Program also operated a Summer Camp from June through August 2011. Thirty registration forms were available for review; however, student sign-out sheets indicated a total of 38 students were in attendance during the 2011 Summer Camp. The school, however, did not maintain any KidsCare or EZ Care database for the 2011 Summer Camp.

Only the June 2011 Family Central subsidy billing was available for estimation of parent payments due, while July and August 2011 subsidy billings were not available. Estimated payments for 2011 Summer Camp totaled \$4,157. No fee collections were recorded for the Summer Camp.

Parent payments collected during 2011 School Year totaled \$8,599, comprised of a sum of \$3,554 recorded in KidsCare and \$5,095 recorded in the director’s manual ledger (less a \$50 payment recorded in both sources). There was no record for parent payments for the 2011 Summer Camp.

Parent payments recorded in the KidsCare totaling \$3,554 for 15 school days were traced to the school’s General Ledger to confirm deposit into the school’s bank account. However, \$735 in parent payments for four school days was missing. The recorded parent payments were neither deposited into the drop-safe, entered into the General Ledger, nor deposited into the bank account.

The following exhibit provides details for the monies unaccounted for:

**SACC Monies Unaccounted For**  
**During July 1, 2010 through June 30, 2011**

Estimated SACC fees to be collected from parents:		
SACC fees during 8/1/2010 and 6/2/2011	\$23,858	
June 2011 Summer Camp fees	4,157	\$28,015
SACC payments from parents as recorded in:		
KidsCare Database during 8/1/2010 and 11/18/2010	(\$3,554)	
SACC director’s manual ledger during 11/18/2010 and 6/7/2011	(5,095)	
Less parent payment recorded in both sources	50	(8,599)
Estimated SACC fees unaccounted for		\$19,416
Parent payments recorded in KidsCare but NOT deposited into the bank; i.e. money missing		735
<b><i>Total Monies Unaccounted For</i></b>		<b><i>\$20,151</i></b>

## **2. Inconsistent Statements Provided by the SACC Director**

Certain statements in monies collection process provided by the SACC director contradicted with those provided by SACC parents and staff. The SACC director stated that she did not issue receipts to parents and did not have any program receipt books for SACC fees. However, interviews with staff and seven available parents indicated that the SACC director did use the receipt books for SACC Program and issue receipts to SACC parents.

We conducted a search of the SACC director's office and did not find any SACC receipt books, either new or used. In addition, the school did not maintain a *Prenumbered Document Inventory Register* of SACC receipt books.

To ensure proper accountability through segregation of duties, the school should assign a document custodian for prenumbered documents who has no involvement in the use of the documents. *Prenumbered Document Inventory Register* should be properly completed with the needed information in accordance with ***Internal Accounts Manual, Section 9.8***; and used receipt books should be retained for a time period consistent with the District's ***Record Retention Schedule***.

***Page 3-11, District Afterschool Programs Operational Manual*** provides that the SACC director be responsible for the receipt books issued by the document custodian and, therefore, must sign for all receipt books on the *Prenumbered Document Inventory Register* for all receipt books received. Moreover, all receipt books should be used in sequential order.

***Management's Response from the Current Principal:*** *I concur with the findings. Although I was not the acting Principal during the period of August 1, 2010, through August 4, 2011, necessary corrective actions will be taken with input from the former Principal and District Afterschool Programming Department.*

*Please note that the School Age Child Care Director has been re-assigned by the District Human Resources Department. However, the school Treasurer has returned and a conference was held discussing the audit findings, job duties and implementing her specific compliance responsibilities with fidelity.*

*(Please see page 6.)*

***Management's Response from the Former Principal:*** *I concur with the audit findings of the SACC department of West Riviera Elementary. The checks and balances that were in place failed to reveal these findings prior to this audit.*

*As you indicated in your memo, I am no longer the principal at West Riviera Elementary. I am willing to provide the current principal with input for necessary corrective actions.*



*To ensure financial irregularities are not repeated at my current location, Northboro Elementary, I have implemented the following procedures: monthly meetings with the school treasurer to review Drop-Safe Log and Internal Accounts of the Afterschool department; monthly meetings with the Afterschool director to review account receivables and aging reports.*

*(Please see page 7.)*

***Management's Response from the Chief Operating Officer through the Superintendent:***  
*Management concurs with the findings identified in the audit report. School Age Child Care (SACC) directors are trained to use the after school care accounting software and remit monies collected daily.*

*(Please see page 8.)*

– End of Report –

Management's Response  
Current Principal



**West Riviera**



**Elementary**

Tonja P. Latson, Ed. S. Principal  
Thomas Hrebin, Assistant Principal

Phone: 561/494-1900  
Fax: 561/494-1950

*A Title I School*

**RECEIVED**  
OCT 10 2011

**MEMORANDUM**

**TO:** Lung Chiu, District Auditor  
**FROM:** Tonja P. Latson, Ed.S. and Principal  
**DATE:** September 26, 2011  
**RE:** Investigation: West Riviera Elementary School's SACC Revenue Collections

**DISTRICT AUDITOR**

As per your request on September 19, 2011, this memo serves as a written response to the conclusion of the audit findings mentioned above. I concur with the findings. Although, I was not the acting Principal during the period of August 1, 2010 through August 4, 2011, necessary corrective actions will be taken with input from the former Principal and District Afterschool Programming Department.

Please note that School Age Child Care Director has been re-assigned by the District Human Resources Department. However, the school Treasurer has returned and a conference was held discussing the audit findings, job duties and implementing her specific compliance responsibilities with fidelity.

Sincerely,

Mrs. Tonja P. Latson Ed.S.  
Principal

Management's Response  
Former Principal



NORTHBORO ELEMENTARY MONTESSORI MAGNET

400 40<sup>th</sup> Street West Palm Beach, FL 33407  
Phone (561)494-1600 Fax: (561)494-1650

Gayle Harper  
Principal

Mary Beth Decker  
Assistant Principal

MEMORANDUM

TO: Lung Chiu, District Auditor  
FROM: Gayle W. Harper *GWH*  
DATE: October 28, 2011  
RE: Investigation: West Riviera Elementary School's SACC Revenue Collections

**RECEIVED**  
NOV - 4 2011

DISTRICT AUDITOR

As per your request of October 19, 2011, this memo serves as written response regarding the above investigation. I concur with the audit findings of the SACC department of West Riviera Elementary. The checks and balances that were in place failed to reveal these findings prior to this audit.

As you indicated in your memo, I am no longer the principal at West Riviera Elementary. I am willing to provide the current principal with input for necessary corrective actions.

To ensure financial irregularities are not repeated at my current location, Northboro Elementary, I have implemented the following procedures: monthly meetings with the school Treasurer to review Drop-Safe Log and internal accounts of the Afterschool department; monthly meetings with the Afterschool Director to review account receivables and aging reports.

Thank you for your assistance.

*M*

**Management's Response**  
**Chief Operating Officer**



THE SCHOOL DISTRICT OF  
PALM BEACH COUNTY, FLORIDA

MICHAEL J. BURKE  
CHIEF OPERATING OFFICER

E. WAYNE GENT  
SUPERINTENDENT

CHIEF OPERATING OFFICE  
3300 FOREST HILL BOULEVARD, SUITE C316  
WEST PALM BEACH, FL 33406 -5813  
561-434-8584 Fax 561-357-7585  
[www.palmbeachschools.org](http://www.palmbeachschools.org)

April 9, 2012

TO: Lung Chiu, District Auditor  
THROUGH: E. Wayne Gent, Superintendent *EWG*  
FROM: Michael J. Burke, Chief Operating Officer *MJB*  
SUBJECT: INVESTIGATION: WEST RIVIERA ELEMENTARY SCHOOL'S SACC REVENUE COLLECTIONS

Management concurs with the findings identified in the February 24, 2012 audit report. School Age Child Care (SACC) directors are trained to use the after school care accounting software and remit monies collected daily.

CC: Dr. Janis Andrews, CAO

RECEIVED  
APR 11 2012  
DISTRICT AUDITOR

*NZ*

5-Year Audit Finding Summary for 2006 Through 2010

Finding	2010	2009	2008	2007	2006	COUNT
<b>North West Riviera Elementary</b>						
Staff Performing Incompatible Duties	√	√	√		√	4
Disbursements: P-Card - No itemized receipt/invoice	√	√	√	√		4
Fee-Based Programs: Student Released Without Parent Sign-out	√		√	√	√	4
Fundraisers Not Adequately Documented	√	√			√	3
Disbursements: No Supporting Documentation Attached			√	√	√	3
Fee-Based Programs: Student Released To Unauthorized Person	√	√			√	3
Fee-Based Programs: Time Input Manually into Time Clock			√	√	√	3
Leasing: Lease not properly signed	√	√			√	3
Disbursements: Invoice Not Defaced to Prevent Duplicate Payment	√	√	√			3
Disbursements: Consultant Contract Not Properly Prepared	√	√	√			3
Leasing: Leases Used Same Number		√	√			2
Fee-Based Programs: Registration Form Missing	√			√		2
Fee-Based Programs: Attendance and Parent Sign-out Records Missing			√	√		2
Fee-Based Programs: Missing Timecard			√		√	2
Adjustments To Records Not Properly Approved/Documented				√	√	2
Leasing: Inadequate Proof of Insurance			√		√	2
Disbursements: P-Card - Documentation missing	√	√				2
Fee-Based Programs: Timecard Not Signed-off By Supervisor				√	√	2
Receipts: Monies Not Deposited Timely		√	√			2
Disbursements: Required Purchase Order Not Issued			√		√	2
Disbursements: Payment Made on Statement or Packing List	√	√				2
Fee-Based Programs: Employee Incurred Work Hours While On Leave/Holiday					√	1
Leasing: Fees Collected After Use					√	1
Receipts: Drop Safe Log incomplete	√					1
Disbursements: P-Card purchase split - Pyramiding			√			1
Leasing: Lease Agreement Did Not List Dates and Times of Use		√				1
Receipts: Monies Collected Not Properly Documented				√		1
Receipts: Non-District Receipts Issued			√			1
Disbursements: Purchases From School Employee					√	1
Fee-Based Programs: Timecard Not Signed By Employee				√		1
Leasing: Lease Missing		√				1
Receipts: Copy of MCR Not Maintained by Sponsor	√					1
Receipts: Access to Drop Safe					√	1
Fee-Based Programs: Accounting Records Incomplete/Incorrect		√				1
Fee-Based Programs: Registration / Fees Not Collected	√					1
Fee-Based Programs: Fees Not Timely Transmitted To District					√	1
Fee-Based Programs: Attendance and Sign-Out Sheets Disagree			√			1
Disbursements: P-Card : P-Card: End-of-Cycle checklist not completed			√			1
Disbursements: P-Card : Insufficient Documentation			√			1
Fee-Based Programs: Program Deficit and/or High Staffing Level					√	1
Leasing: Used incorrect rate	√					1

5-Year Audit Finding Summary for 2006 Through 2010

Finding	2010	2009	2008	2007	2006	COUNT
All Findings for Year	15	14	18	10	18	

#	Audit Year	Area	Principal	Bookkeeper	Audit Start Date	Year-End Fund Balance
1401	2010	North	Gayle Harper	Anita Porter	9/13/2010	\$35,535.74
1401	2009	North	Gayle Harper	Anita Porter	3/8/2010	\$110,113.56
1401	2008	North	Linda Cartledge	Anita Porter	1/5/2010	\$30,999.68
1401	2007	North	Valerie Reddick-Ma	Tamekia Sanders	12/17/2007	\$27,465.12
1401	2006	North	Valerie Reddick-Ma	Tamekia Sanders	2/20/2007	\$54,842.46