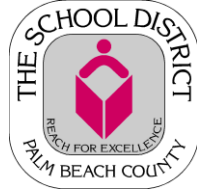


**Special Review of
Marsh Pointe Elementary School's
Afterschool Program Revenue Collections**

January 16, 2015

Report #2015-01



MISSION STATEMENT

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Superintendent of Schools

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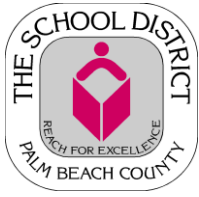
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**Special Review of
Marsh Pointe Elementary School's
Afterschool Program Revenue Collections**

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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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E. WAYNE GENT, SUPERINTENDENT

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, Inspector General

DATE: January 16, 2015

SUBJECT: Special Review of Marsh Pointe Elementary School's
Afterschool Program Revenue Collections

PURPOSE AND AUTHORITY

In response to the requests of the Principal and School Police Department, we have reviewed the revenue collections for the Afterschool Program at Marsh Pointe Elementary School. The primary objective of this special review was to determine whether all the Afterschool Program revenues collected during July through October 2013 by the school were properly accounted for.

SCOPE AND METHODOLOGY

The special review was performed during November 2013, with additional follow-up fieldwork performed during January 2014 and May 2014. This project included reviewing the following Afterschool Program records for July through October 2013:

- Internal Funds General Ledger
- *Drop-Safe Logs.*
- EZ Care databases.
- *Receipt Books.*
- *Parent Sign-out Sheets*
- Family Central Subsidy Attendance Verifications and Subsidy Payment Reports.

We appreciate the courtesy and cooperation extended to us by staff during this special review. The final draft report was presented to the Audit Committee at its January 16, 2015, meeting.

BACKGROUND

On October 14, 2013, Marsh Pointe Elementary's Principal filed a report with the School Police for \$1,100 allegedly missing from the school's Afterschool Program. School Police requested us to review the school's Afterschool Program's money collection records to determine whether there was any additional money missing.

As stated in the Police Report, on October 3, 2013, the Assistant Afterschool Site Director of the school's Afterschool Program collected \$1,100 in cash from a parent, and the money was submitted to the Afterschool Site Director for deposit. The Afterschool Site Director placed the money in a blue bank bag and the bag was put into the school's drop-safe on the same evening. However, according to the school secretary and the bookkeeper, no blue bank bag was found in the drop-safe the next day (October 4, 2013), when they attempted to retrieve collections from the drop-safe for processing. On October 10, 2013, the Afterschool Site Director went to retrieve the blue bank bag from the drop-safe for counting the money, but found that blue bag with the money were missing from the drop-safe.

School Police investigation concluded that *"There is only circumstantial facts that indicate [the Afterschool Site Director] could be responsible for the theft of the cash as mentioned above. At this time I do not have sufficient probable cause to charge [the Afterschool Site Director] with the theft of the \$1100.00,"*

Subsequently, the Police investigation conclusion was forwarded to Professional Standards Department for administrative review. Professional Standards completed its investigation and presented its findings and recommendation to the Employee Investigation Committee for actions on September 3, 2014.

CONCLUSIONS

Our review produced the following conclusions.

1. \$1,377.25 Missing

According to the EZ Care database (the Afterschool Program's student information and accounting system), the Afterschool Program collected a total of \$130,042.20 during August through October 2013. However, only \$128,664.95 was deposited into the Internal Funds. As a result, a total of \$1,377.25 was missing. In addition to the \$1,100 money missing that was reported by the Afterschool Site Director, an additional \$277.25 was unaccounted for. Our examination of the EZ Care's collection records and Internal Funds' deposit records found that the additional \$277.25 missing came from two deposits: \$10 for Deposit #434, and \$267.25 for Deposit #451.

EZ Care Database		Internal Funds			Discrepancy
Date	Total Collection	Date	Deposit #	Deposit Amount	
8/23/2013	\$15,856.54	08/26/2013	434	\$15,846.54	\$10.00
10/15/2013	3,552.75	10/18/2013	451	4,228.00	267.25
10/16/2013	942.50				
Total	\$20,351.79	-	-	\$20,074.54	\$277.25

Recommendation

To ensure proper fiscal accountability, Afterschool Program financial transactions should be accurately recorded in the EZ Care database and periodically reconciled to the Internal Funds records.

Management Response from School Principal: I concur. (Please see page 7.)

2. \$1,131.50 in Undercharged Program Fees

According to the program's student registration, attendance, and parent sign-out records, 302 students attended the program during August through October 2013. The school should have collected an estimated \$135,382.34 in total program fees. However, only \$134,250.84 was recorded in the EZ Care database, resulting in an under-collection of \$1,131.50. This under-collection included \$724 in program fees which were not posted into seven student accounts, and \$407.50 in program fees which were undercharged for three students (part-time rate was used instead of full-time rate.)

Recommendation

Afterschool Program is a self-sufficient programs supported by user fees. The program fees should be collected in accordance with *Afterschool Programs Operational Manual*. Fee waivers, if any, should be adequately documented and approved by the Principal.

Management Response from School Principal: I concur. New procedures have been put into place along with updated and appropriate training of the Director and Assistant Director. (Please see page 7.)

3. Late Deposits

The May (\$859.17) and June 2013 (\$127.32) *Family Central Subsidy Reimbursement* checks were retained by the Afterschool Site Director and were not deposited into the bank until October 2013. Moreover, the May 2013 *Family Central's Subsidy Reimbursement Report* was missing.

Recommendation

As required by *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)* 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.

Management Response from School Principal: The May and June reimbursement checks were placed in the safe during the summer when the Director and Bookkeeper were on summer leave. Upon return, the Director had to wait for the fee breakdown in order to process the fees to the correct account. (Please see page 7.)

4. \$8,742.81 in Accounts Receivable

As of October 30, 2013, the school's Afterschool Program had a total accounts receivable balance of \$8,742.81, from 92 student accounts. Moreover, a total of \$2,991.50 (or 34%) of the receivable balance were from 25 student accounts which were past-due for more than six months.

Recommendation

As required by the *Afterschool Programs Operational Manual*, program fees should be collected in advance. Specifically, "*fees are payable in advance and are collected monthly on the first three school days of the month.*"

Management Response from School Principal: I concur. We aggressively notify parents when fees are due. We have newsletters, signs on doors, notices in the "sign out" book, face to face requests. We have now set up a laptop station for easy parent payment on line. (Please see page 7.)

5. Improvements Needed for Fee Collections

The review of fee collection procedures at the school disclosed that:

- More than one employee issued the *School Age Child Care Receipts (PBSD 1438)* to parents for collecting fees.
- At the end of each day, monies collected and all issued receipts were provided to the Afterschool Site Director.
- The Afterschool Site Director entered the payment information into the EZ Care database, and prepared the required *Monies Collected Report (MCR)*.

- Collections that have been entered into the EZ Care database and ready for deposit into the bank were contained in a clear bank bag. Collections that have not been processed were contained in a blue bank bag. Both clear and blue bags were put in the drop safe daily. The Afterschool Site Director retrieved the blue bank bag the following day to process the collections and prepare the MCR for deposit into the bank.

Our review identified the following issues:

- The Afterschool Site Director did not record the information on the *Drop-safe Log* regarding the blue bank bag, which contained the missing \$1,100 cash, before the bag was put into the drop-safe.
- More than one employee handled the collection of fees from parents. However, no record was maintained to document the transfer of custody of monies from other employees to the Afterschool Site Director.

Recommendation

To ensure proper fiscal accountability,

- Deposit information should be properly recorded on the *Drop-safe Log* before the money is dropped into the drop-safe, as required by ***Bulletin #P-14051-S/CFO***.
- Record should be maintained to document the transfer of custody of monies between employees. The transfer should be documented and signed off by both transferor and receiver of the funds.

Management Response from School Principal: *I concur. See attached documentation. (Please see pages 7-10.)*

6. Control Needed for Prenumbered Document

The Afterschool Site Director was responsible for the Afterschool Program fee collection. However, she was also the document custodian for the prenumbered *School Age Child Care Receipts* (PBSD 1438). In addition, the *Prenumbered Document Inventory Register* (PBSD 0160) was not maintained to account for the *School Age Child Care Receipts*.

Recommendation

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. Another staff member, other than the Afterschool Site Director, should be assigned as the document custodian for the *School Age Child Care Receipts*. All prenumbered forms should be

periodic inventoried and documented on the *Prenumbered Document Inventory Register* (PBSD 0160).

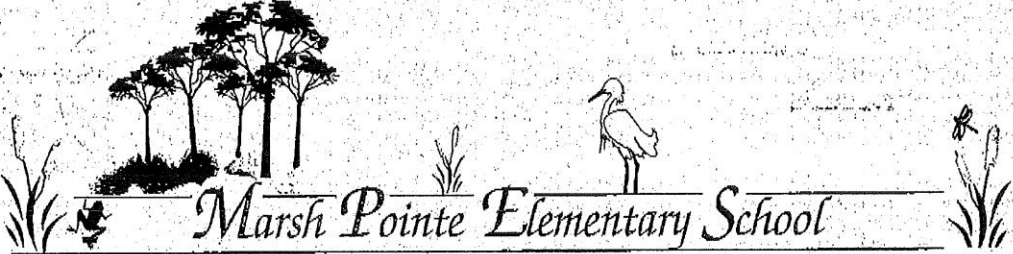
Management Response from School Principal: *The Assistant Director was responsible for the Afterschool Program fee collection. She has been relieved of her duties. We have corrected this issue. (Please see page 7.)*

Management Response from Chief Operating Officer: *I have reviewed your report on the Special Review of Marsh Point Elementary School's Afterschool Program Revenue Collections and the response by Maureen Werner, Principal of Marsh Point Elementary School. As the specific audit recommendations have already been addressed, I have nothing further to add. (Please see page 11.)*

– End of Report –

Management's Response
Principal of Marsh Point Elementary

OCT 21 2014 12:00 PM NO. 2471 P. 2



Maureen A. Werner
Principal


12649 Ibiza Drive
Palm Beach Gardens, FL 33418
Ph: (561) 366-6800 Fx: (561) 366-6850

Ryan Scott
Assistant Principal


MEMORANDUM
To: Lung Chiu
FROM: Maureen Werner, Principal
DATE: October 21, 2014
SUBJECT: Special Review of Marsh Point Elementary School's
Afterschool Program Revenue Collection – Management's Responses

RECEIVED
OCT 21 2014
INSPECTOR GENERAL

- \$1,377.25 Missing**
Management's Response:
I concur.
- \$1,131.50 in Undercharged Program Fees**
Management's Response:
I concur. New procedures have been put into place along with updated and appropriate training of the Director and Assistant Director.
- Late Deposits**
Management's Response:
The May and June reimbursement checks were placed in the safe during the summer when the Director and Bookkeeper were on summer leave. Upon return, the Director had to wait for the fee breakdown in order to process the fees to the correct account.
- \$8,742.81 in Accounts Receivable**
Management's Response:
I concur. We aggressively notify parents when fees are due. We have newsletters; signs on doors, notices in the "sign out" book, face to face requests. We have now set up a laptop station for easy parent payment on line.
- Improvements Needed For Fee Collections**
Management's Response:
I concur. See attached documentation.
- Control Needed for Prenumbered Document**
Management's Response:
The Assistant Director was responsible for the Afterschool Program fee collection. She has been relieved of her duties. We have corrected this issue.



Home of the Panthers



MS

Management's Response
Principal of Marsh Point Elementary

Oct. 21, 2014, 12:51 PM
The School District of Palm Beach County Mail - Re: Drop Safe Log

No. 549 / Page 3 of 5



Erika Latson <erika.latson@palmbeachschools.org>

Re: Drop Safe Log

1 message

Erika Latson <erika.latson@palmbeachschools.org>
To: Michelle Amorim <michelle.amorim@palmbeachschools.org>

Tue, Oct 15, 2013 at 10:10 AM

Thanks so much!!

On Tue, Oct 15, 2013 at 8:41 AM, Michelle Amorim <michelle.amorim@palmbeachschools.org> wrote:

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

From: Ruth Potter <ruth.potter@palmbeachschools.org>
Date: Tue, Oct 15, 2013 at 8:09 AM
Subject: Re: Drop Safe Log
To: Darlene Dixon <darlene.dixon@palmbeachschools.org>
Cc: Michelle Amorim <michelle.amorim@palmbeachschools.org>

Darlene,

You can do that but when the director comes to pickup the deposit they should sign the line and date it when they pick it up. You should initial as well.

The deposit should be placed in a locked bag since she isn't aware of the amount of the funds before she drops it.

Thank you,

Ruth Potter
Accounting Services
Phone (561) 434-8174
Fax (561) 434-8112
ruth.potter@palmbeachschools.org

On Tue, Oct 15, 2013 at 7:16 AM, Darlene Dixon <darlene.dixon@palmbeachschools.org> wrote:

Hi Ruth,

Can you please see the email below and tell me if this procedure is ok to start?

thank you for your help.

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

From: Erika Latson <erika.latson@palmbeachschools.org>
Date: Mon, Oct 14, 2013 at 4:36 PM
Subject: Fwd: Drop Safe Log
To: Maureen Werner <maureen.werner@palmbeachschools.org>, Ryan Scott <ryan.scott@palmbeachschools.org>, Darlene Dixon <darlene.dixon@palmbeachschools.org>

Michelle from the Dept. of Afterschool sent this e-mail below. Is it okay to start this procedure?

<https://mail.google.com/mail/u/0/?ui=2&ik=c247adf65f&view=pt&q=drop%20safe%20l...> 10/15/2014

Management's Response
Principal of Marsh Point Elementary

Oct 21, 2014, 12:57 PM
The School District of Palm Beach County Mail - Re: Drop Safe Log

No. 5497 Page 4 of 5

Thanks,

Erika

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

From: **Michelle Amorim** <michelle.amorim@palmbeachschools.org>
Date: Mon, Oct 14, 2013 at 4:06 PM
Subject: Drop Safe Log
To: Erika Latson <erika.latson@palmbeachschools.org>
Cc: Kathleen Moore <kathleen.moore@palmbeachschools.org>

This is what came in an e-mail from Internal Accounts to an afterschool director:

"There has been some confusion with deposits and the drop safe log. I have inquired here at the district level and I am being told that if [there is] money that has not been processed but needs to be secured [the director] should drop it in the safe and list it on the drop safe log, but they want [the director] to list it and write in the amount column "Do not Process". [The bookkeeper] will give it back to [the director] when the safe is opened so you can complete the deposit."

Hope you find this helpful.

Best Regards--

Michelle Amorim

Liaison II, Afterschool
School District of Palm Beach County
Department of Afterschool Programming
4260 Westgate Avenue (Portable 4)
West Palm Beach, FL 33409

Phone: 561/640-1169 PX 81169

Fax: 561/687-6393 PX 78393

Visit our website: www.palmbeach.k12.fl.us/AfterSchoolProgramming/index.htm

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Disclaimer: Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

<https://mail.google.com/mail/u/0/?ui=2&ik=c247adf65f&view=pt&q=drop%20safe%201...> 10/15/2014

Management's Response
Principal of Marsh Point Elementary

Oct. 21, 2014 12:58PM

No. 549/ P. 5

	Date	Time	# of checks	# of Money orders	Delivered by	Delivered to	Dropped by
1							
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6							
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20							
21							

M

Management's Response
Chief Operating Officer



**THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL**

MICHAEL J. BURKE
CHIEF OPERATING OFFICER

E. WAYNE GENT
SUPERINTENDENT

CHIEF OPERATING OFFICE
3300 FOREST HILL BOULEVARD, C-316
WEST PALM BEACH, FL 33406

PHONE: 561-434-8584 / FAX: 561-357-7585
WWW.PALMBEACHSCHOOLS.ORG/COO

MEMORANDUM

TO: Lung Chiu
Inspector General

FROM: Michael J. Burke *MJB*
Chief Operating Officer

DATE: December 1, 2014

SUBJECT: SPECIAL REVIEW OF MARSH POINT ELEMENTARY SCHOOL'S AFTERSCHOOL PROGRAM REVENUE COLLECTIONS

I have reviewed your report on the Special Review of Marsh Point Elementary School's Afterschool Program Revenue Collections and the response provided by Maureen Werner, Principal of Marsh Point Elementary School. As the specific audit recommendations have already been addressed, I have nothing further to add. An electronic version of management's response will also be emailed to your attention.

If you should have any questions or require additional information, please do not hesitate to contact me at PX48584.

MJB:ac

RECEIVED
DEC 02 2014
INSPECTOR GENERAL

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MJB