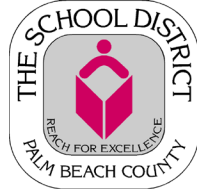


**Special Review of
Money Collections at
U.B. Kinsey/Palmview Elementary School**

October 20, 2023

Report #2023-12



MISSION STATEMENT

The mission of the School District of Palm Beach County is to educate, affirm, and inspire each student in an equity-embedded school system.

Michael J. Burke
Superintendent of Schools

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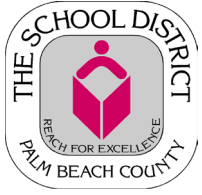
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**Special Review of
Money Collections at
U.B. Kinsey/Palmview Elementary School**

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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

TERESA MICHAEL, CIG, CIGI, CFE
INSPECTOR GENERAL

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MICHAEL J. BURKE, SUPERINTENDENT

MEMORANDUM

TO: Honorable Chair and Members of the School Board
Michael J. Burke., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Teresa Michael, Inspector General

DATE: October 20, 2023

SUBJECT: Special Review of Money Collections at
U.B. Kinsey/Palmview Elementary School

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2022-2023 Work Plan*, and in response to a request from the Accounting Services Department, we have conducted a Special Review of Money Collections at U.B. Kinsey/Palmview Elementary School (U.B. Kinsey). The primary objectives of this special review were to determine:

- (1) Whether all the collections were properly processed and deposited in the school's bank account;
- (2) If all the monies in the drop-safe were properly accounted for; and
- (3) The extent of compliance with District procedures in safeguarding money after collection.

SCOPE AND METHODOLOGY

We conducted this special review in accordance with the Association of Inspectors General's *Principles and Standards for Offices of Inspector General, Quality Standards for Inspections, Evaluations, and Reviews*. The review covered the period July 1 through October 28, 2022.

During the review, the OIG audit unit performed an unannounced cash count at the school on October 24, 2022, meeting with appropriate school staff, and reviewing:

- *Rule 6A-1.001, Florida Administrative Code* – District Financial Records

- *Florida Department of Education Rules (“FDOE Red Book”)*¹
- Applicable *School Board Policies* and District procedures related to money collections, including:
 - *Board Policy 6.07 – Internal Accounts*
 - *Board Policy 6.10 – Property Accountability and Responsibility*
 - *Board Policy 6.11 – Money Left in Schools After Hours*
 - *Internal Accounts Manual, Chapter 7 – Cash Receipts and Deposit*
 - *Bulletin #P-14051-S/CFO – Drop-safe Log Procedures for School Deposits*
 - *Bulletin #P 18-132 CFO – FY18 Updated Drop-safe Log Procedures*
 - *Bulletin #P 23-062 CFO – Armored Car Service and Fees Collected on School Campuses*
- Internal Funds money collection records, including *Drop-safe Log*, *Armored Car Courier Manifests*, *Monies Collected Reports (MCRs)*, and bank deposit records for the period July 1 through October 28, 2022.

Draft findings were sent to the school principal and the Chief Financial Officer (CFO) for review and comment. The management responses are included in the Appendix. We appreciate the courtesy and cooperation extended to us by the school and District staff during the review. The final draft report was presented to the Audit Committee at its October 20, 2023, Meeting.

BACKGROUND

Accounting Services’ Referral. On October 21, 2022, Financial Applications staff of the Accounting Services Department informed the OIG about concerns related to deposits at the school. Specifically, the school treasurer requested assistance with the school’s internal funds bank reconciliation for September 2022 which was overdue. Financial Applications staff discovered that:

- Three deposits (totaling \$12,670.45) recorded in SchoolCash² on September 7, 19, and 21, 2022, had not appeared on the bank statement as of September 30, 2022.
- One deposit for \$845 was recorded in SchoolCash on August 31, 2022, but appeared on the September bank statement as \$176.
- Five deposits (totaling \$15,090.88) processed during October 3 through 13, 2022, had not appeared as deposited in the bank’s online records as of October 21, 2022.

¹ The Financial and Program Cost Accounting and Reporting for Florida Schools, 2021 (“Red Book”) is incorporated by reference in Rule 6A-1.001, Florida Administrative Code, pursuant to requirements of §§1010.01, 1010.20 and 1011.07, Fla. Stat.

² SchoolCash is the accounting software used for Internal Funds.

CONCLUSIONS

1. 53% of Collections Delayed in Sending to the Bank

FDOE Red Book, Section III, 1.4, requires “... funds collected must be deposited within five (5) working days.” To facilitate this, the School District contracted with a vendor to provide armored car service to each school at least two days per week to transport collections to the bank. The current contract was awarded to a new vendor during August 2022, effective September 1, 2022. The first pickup of collections at U.B. Kinsey occurred on September 1, 2022.

From July 1 through October 26, 2022, U.B. Kinsey had total collections³ of \$70,035.12 recorded on the *Drop-safe Log*. The OIG reviewed the associated documentation which included the *Drop-safe Log*, *Monies Collected Reports (MCRs)*, *Courier Manifests*, and *Bank Statements*.

Our review found that the school treasurer regularly removed collections from the safe, made entries into SchoolCash, and prepared deposits for pick up by the courier in accordance with District procedures. However, nine prepared deposits (totaling \$36,945.69 or 53%) were not given to the courier at the next pickup. The nine prepared deposits were held on campus for additional time ranging from four to 32 working days after an available courier service pickup date. (See Exhibit 1.) The school’s money collection documentation did not provide any explanation for the delays.

Recommendation

Money collections should be administered in accordance with the *FDOE Red Book, Internal Accounts Manual*, and District guidelines. Specifically, *FDOE Red Book* 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 monies to unwarranted exposure and result in financial irregularities.

2. \$845 Collection Not Sent to the Bank Intact

On August 31, 2022, the school treasurer removed Deposit #1082 (for \$845) from the safe and recorded the information into SchoolCash. This deposit was not given to the courier during the September 1, 2022, pickup. Instead, it was given to the courier on September 9, 2022. Furthermore, only \$176 (\$150 in checks and \$26 in cash) was received by the bank without a deposit ticket from the school. According to the school treasurer, the deposit bag was torn when it was being removed from the safe to give to the courier.

OIG’s Unannounced Site Visit. On October 24, 2022, the OIG performed an unannounced site visit at the school and examined the contents of the drop-safe. During the unannounced site visit, we observed a plastic bag in the drop-safe which contained \$557 in cash without any documentation or identification. The school treasurer said that it was the money remaining

³ Money collections are comprised of currency, coins, and checks handled by school personnel.

from the previously mentioned torn deposit bag (i.e. Deposit 1082) and offered no further explanation to the OIG auditors for its presence in the safe.

Further, the treasurer provided no explanation for why the remaining money was short \$112 (\$845 initial deposit recorded in SchoolCash - \$176 received by bank - \$557 in drop safe at time of October 24, 2022 cash count = \$112).

Subsequently, our examination of bank records determined that \$557 in cash was received by the bank on October 26, 2022, and \$112 in cash was received by the bank on October 28, 2022, with delays of 32 and 34 working days, respectively. These remaining portions of Deposit #1082 recorded on August 31, 2022, were made well after the available September 1, 2022, pickup date.

Recommendation

FDOE Red Book, Section III, 1.2 states, “All monies received by the school will be deposited intact as collected into [the bank account].” In the event of a torn bag, all monies should be transferred to a new bag, sealed, and provided to the courier for transport to the bank.

Management’s Responses:

Principal of U.B. Kinsey/Palmview Elementary: I concur with the findings. Due to the nature of the noncompliance, I forward this matter to the Office of Professional Standards for further review. The case for Chanta Woodbury was 'Administratively Closed' by the Office of Professional Standards (OPS) due to her resignation effective April 1, 2023. The case for LaShawna Campbell is currently being processed for disciplinary action (in collaboration with OPS) and it should be closed no later than September 30, 2023.

As a result of these incidents, my goal is to have monthly meetings and trainings reviewing policies and procedures and that they are enforced. Also, making staff aware of consequences of not following District Policies and Procedures.

(See page 7.)

Chief Financial Officer: Management Concur with the Review and Recommendations. The Financial Applications staff in Accounting immediately contacted the OIG upon discovering irregularities at the school that could not be explained. Deposits were recorded in School Cash but were not showing up in the Bank. Eventually all funds were received by the bank. The principal's response outlines the actions taken by the school including:

- *The administrative assistant is no longer employed by the School District of PBC.*
- *The treasurer was referred to OPS and has been reassigned to the data processor role which has limited cash handling.*
- *The school principal has hired a new treasurer and plans to hold monthly meetings with them to review policies and procedures.*
- *Reinforcing the consequences of not following District Policies and Procedures.*

(See page 8.)

REFERRAL TO SCHOOL POLICE AND STATE ATTORNEY’S OFFICE

During the OIG investigation unit’s interviews of school staff, the administrative assistant admitted to taking funds that belonged to the school for her personal use. And the school treasurer admitted to shifting money from other deposits to balance the short deposits until the administrative assistant paid back the taken money. On December 6, 2022, details of the noncompliances were discussed with and provided to a School Police Detective. On January 23, 2023, we forwarded our conclusions to School Police for further investigation. The two employees again admitted their actions to School Police in their sworn interviews. School Police completed its investigation and subsequently forwarded their investigative results to the State Attorney’s Office for review and consideration.

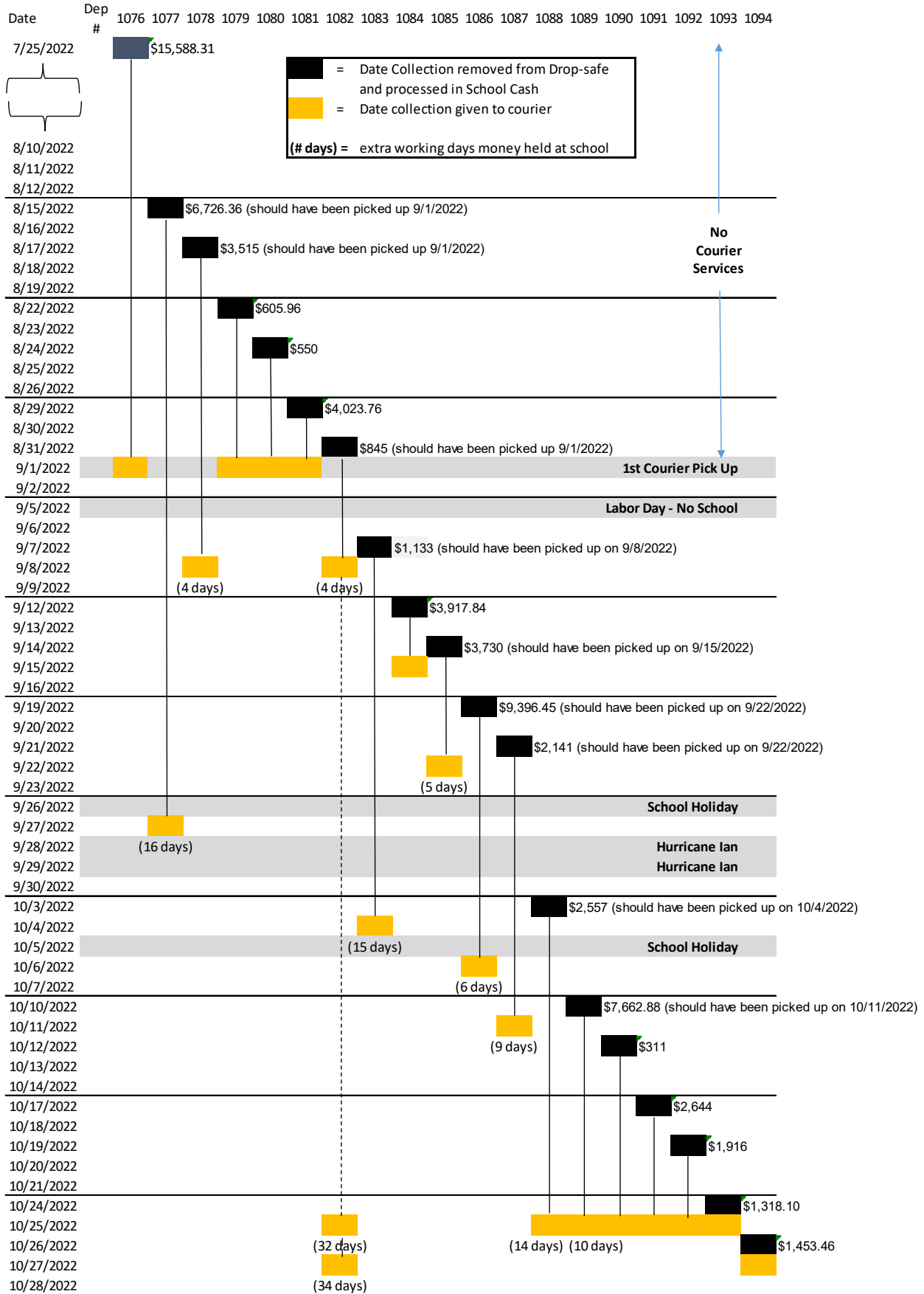
REFERRAL TO OFFICE OF PROFESSIONAL STANDARDS

Due to the nature of the noncompliances, the OIG referred the conclusions of this review to the Office of Professional Standards on August 23, 2023, for further actions.

– End of Report –

Exhibit 1

Timelines - Delays in Giving Deposits to Courier



Management's Response
Principal of U.B. Kinsey/Palmview Elementary School



U.B. Kinsey/Palmview Elementary School of the Arts
800 Eleventh Street
West Palm Beach, Florida 33401
Phone (561) 671-6500 Fax (561) 671-6550



Alexander Bembry, Principal
Principal

Jamie VanderGast, Assistant
Assistant Principal

Mission Statement

U.B. Kinsey/Palmview Elementary of the Arts will inspire responsible citizenship through academic achievement and artistic excellence.

September 15, 2023

Greetings!

This letter is in response to the Office of Inspector General Investigation that was conducted at U.B. Kinsey/Palmview Elementary School. I concur with the findings.

Due to the nature of the noncompliance, I forward this matter to the Office of Professional Standards for further review. The case for Chanta Woodbury was 'Administratively Closed' by the Office of Professional Standards (OPS) due to her resignation effective April 1, 2023. The case for LaShawna Campbell is currently being processed for disciplinary action (in collaboration with OPS) and it should be closed no later than September 30, 2023.

As a result of these incidents, my goal is to have monthly meetings and trainings reviewing policies and procedures and that they are enforced. Also, making staff aware of consequences of not following District Policies and Procedures.

If you have any questions please do not hesitate to contact me at 561-671-6503.

Sincerely,


Alexander Bembry, Principal

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INSPECTOR GENERAL

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Management's Response
Chief Financial Officer



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

**HEATHER FREDERICK, CPA
CHIEF FINANCIAL OFFICER**

**MICHAEL J. BURKE
SUPERINTENDENT**

CHIEF FINANCIAL OFFICE
3300 FOREST HILL BOULEVARD, SUITE A-306
WEST PALM BEACH, FL 33406

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

MEMORANDUM

TO: Theresa Michael, Inspector General

FROM: Heather Frederick, Chief Financial Officer

SUBJECT: **Response to Special Review of Money Collections at
U.B. Kinsey/Palmview Elementary School**

Date: September 20, 2023

Management reviewed the Report regarding Special Review of Money Collections at U.B. Kinsey / Palmview Elementary School and offers the following response:

Management Concurs with the Review and Recommendations. The Financial Applications staff in Accounting immediately contacted the OIG upon discovering irregularities at the school that could not be explained. Deposits were recorded in School Cash but were not showing up in the Bank. Eventually all funds were received by the bank. The principal's response outlines the actions taken by the school including:

- The administrative assistant is no longer employed by the School District of PBC.
- The treasurer was referred to OPS and has been reassigned to the data processor role which has limited cash handling.
- The school principal has hired a new treasurer and plans to hold monthly meetings with them to review policies and procedures.
- Reinforcing the consequences of not following District Policies and Procedures.

Heather Frederick, CPA
Chief Financial Officer

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INSPECTOR GENERAL

The School District of Palm Beach County, Florida
A Top High-Performing A-Rated School District
An Equal Opportunity Education Provider and Employer

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