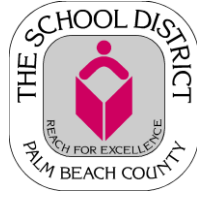


**Special Review of
Money Collection Records at
Palm Beach Public School**

September 17, 2015

Report #2015-13



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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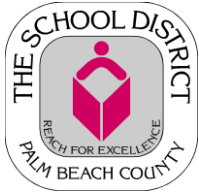
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Special Review of
Money Collection Records at
Palm Beach Public School

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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

LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Robert M. Avossa, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Lung Chiu, Inspector General

DATE: September 17, 2015

SUBJECT: Special Review of Money Collection Records at Palm Beach Public School

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2014-15 Work Plan*, we have performed an unannounced cash count at the school on March 11, 2015. During this visit, we noted certain irregularities in the money collection process. Subsequently, we expanded the scope of the review. The primary objective of the expanded scope review was to determine if all the monies collected as of March 11, 2015, were properly accounted for.

SCOPE AND METHODOLOGY

This special review covered the period July 1, 2014, through March 11, 2015, and included:

- Analyzing monies collection and deposit records.
- Interviewing school staff.

Draft findings were sent to the management for review and comments. Management 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 presented to the Audit Committee at its September 17, 2015, meeting.

CONCLUSIONS

This special review produced the following major conclusions:

1. Potential Violation in Code of Ethics

In accordance with *School Board Policy 3.02 Code of Ethics, Section 5.c*, employees should exemplify honesty and integrity in the performance of their official duties for the School District. *Section 5.c.vii* of this policy specifically states, “*Unethical conduct includes ... Falsifying, misrepresenting, or omitting information submitted in the course of an official inquiry/investigation.*” During the March 11, 2015, unannounced cash count, we noted the followings:

- School Treasurer Falsified Signature of Other Staff Member. The school treasurer signed/initialed the data processor’s name in the 2nd and 3rd Sections of the *Drop-safe Logs*. The signature/initial by a second person is to provide evidence that an independent staff member had (1) observed and confirmed that monies in the safe were removed by the school treasurer for processing, and (2) verified that the collections were recorded in the General Ledger. Subsequently, the data processor confirmed to OIG that she did not sign/initial on the *Drop-safe Logs*.
- School Treasurer Had Full Combination to Access the Drop-safe and Misrepresented Information to OIG Staff. The monies that were deposited into the drop-safe were taken away for processing prior to our arrival. The school treasurer informed us that the Principal’s secretary opened the safe with her earlier in the morning. However, the secretary later informed us that she did not open the drop-safe with the school treasurer that morning. Consequently, the school treasurer might have the full combination to access the drop-safe and misrepresented information to the OIG auditor.

Referral

Conclusions were referred to the Office of Professional Standards (OPS) for necessary actions. On April 24, 2015, OPS turned over the information to the Principal for review and necessary actions. On June 11, 2015, the Principal issued a Verbal Directive, with Written Notation, to the employee instructing that going forward, all bookkeeping procedures as well as district procedures must be complied with.

2. No Money Missing

We reviewed and analyzed all deposit documentation during July 1, 2014, through March 11, 2015. Information on the yellow copies of *Monies Collected Reports* and *Official Receipts* retained by staff agreed with the Internal Funds’ General Ledger and bank records.

The analysis of receipts concluded that no money was missing for the period reviewed.

Management's Response from the Principal: *I concur with the conclusions of the Special Review of Money Collection Records at Palm Beach Public.*

Corrective actions have been taken and include

- *New safe combination with Treasurer having only one number. Completed 4/01/15.*
- *Drop Safe Log procedures reviewed with the Treasurer by Senior Auditor, Toni Waterman.*
- *Reminder of the Code of Ethics were given by the Principal as well as a memorandum. Completed June 11, 2015 (6/11/15).*

(Please see page 4.)

Management's Response from the Chief Operating Officer: *I have reviewed your Special Review of Money Collection Records at Palm Beach Public for the period July 1, 2014 through March 11, 2015, and response provided by Christie Schwab, Principal of Palm Beach Public. I support the response by Ms. Schwab and have no additional information to add to this report.*

(Please see page 5.)

– End of Report –

Management's Response
Principal of Palm Beach Public School

August 4, 2015

I concur with the conclusions of the Special Review of Money Collection Records at Palm Beach Public.

Corrective actions have been taken and include

- New safe combination with Treasurer having only one number. Completed 4/01/15
- Drop Safe Log procedures reviewed with the Treasurer by Senior Auditor Tom Waterman. Reminder of the Code of Ethics were given by the Principal as well as a memorandum. Completed June 11, 2015 (6/11/15).

Christie Schwab
Christie Schwab

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Management's Response
Chief Operating Officer



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

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

MICHAEL J. BURKE
CHIEF OPERATING OFFICER

ROBERT M. AVOSSA, Ed.D.
SUPERINTENDENT

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INSPECTOR GENERAL

MEMORANDUM

TO: Lung Chiu
Inspector General

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

DATE: August 4, 2015

SUBJECT: SPECIAL REVIEW OF MONEY COLLECTION RECORDS AT PALM BEACH PUBLIC

I have reviewed your Special Review of Money Collection Records at Palm Beach Public for the period July 1, 2014 through March 11, 2015, and response provided by Christie Schwab, Principal of Palm Beach Public. I support the response by Ms. Schwab and have no additional information to add to this report.

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