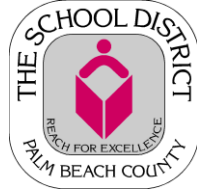


Unannounced Cash Count at Roosevelt Elementary School

May 15, 2020

Report #2020-06



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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Superintendent of Schools

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Unannounced Cash Count at Roosevelt Elementary School
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Unannounced Cash Count at Roosevelt Elementary School

EXECUTIVE SUMMARY

Pursuant to the *Office of Inspector General's 2019-2020 Work Plan*, we have conducted an unannounced cash count at Roosevelt Elementary School on December 18, 2019. The primary objectives of this cash count were to determine (1) if all the monies in the drop-safe and change funds were properly accounted for, and (2) the extent of compliance with District procedures to safeguard money after collections. This unannounced visit produced the following major conclusions.

1. Some Collections Neither Safeguarded Nor Timely Deposited

Missing Deposit Found in School Treasurer's Desk. According to the school's accounting records, the school treasurer prepared a deposit totaling \$1,442.15 (\$1,162.15 in cash and \$280 in checks) on December 3, 2019. However, as of December 18, 2019 (i.e., 11 working days after the treasurer prepared the deposit), the deposit had not been deposited in the bank account. After we questioned the school treasurer and explained to the principal about the missing deposit, the school treasurer indicated that she has found the \$1,442.15 in a prepared deposit bag in her desk drawer. The deposit bag was **not sealed** and contained cash, checks, and a deposit ticket dated December 3, 2019.

Courier Logs Not Properly Maintained. The District contracts with an armored car pickup service to transport monies from schools to the bank two to three times per week. The deposits are recorded on *Courier Logs*, one *Log Book* for Internal Funds deposits and another book for Food Service deposits. Upon pickup of deposits at the school, the courier driver scans the barcode on each bag and completes the *Courier Log* with dated signature/initials. We noted several noncompliances for the handling of the *Courier Logs* for both the school Internal Funds and Cafeteria bank deposits:

- Deposits were not always recorded on the *Courier Logs*.
- On 12/17/2019, the armored car driver picked up two Food Service deposits and one of the deposits was not recorded on the *Log*. The driver erroneously signed the Internal Funds *Courier Log* for a 12/13/2019 deposit (\$4,490.50), which he did not pick up. The \$4,490.50 deposit was found in the drop-safe on 12/18/2019 during our unannounced site visit. Moreover, the Courier Service Company confirmed that the driver had mistakenly recorded a \$63.40 cafeteria deposit as a \$6,340 deposit.

Management's Responses:

Former School Treasurer: *No dispute. I locked the money in my drawer, \$40 was found in drawer. (Please see page 6.)*

Principal of Roosevelt Elementary: Concurs. (Please see page 7.)

Office of the CFO: Management concurs. (Please see page 8.)

2. Staff Not Using *Drop-safe Log*

During our December 18, 2019, unannounced site visit, we identified a collection of \$650 in the drop-safe. However, the *Drop-safe Log* has no record of this deposit.

Management's Responses:

Former School Treasurer: No dispute. I locked the money in my drawer, \$40 was found in drawer. (Please see page 6.)

Principal of Roosevelt Elementary: Concurs. (Please see page 7.)

Office of the CFO: Management concurs. (Please see page 8.)

Additional Comments from Office of the CFO: *While District staff continues to enhance both in-person and on-line training, the prescribed procedures must be implemented with fidelity by staff to be effective. (Please see page 8.)*

Referral to Employee & Labor Relations

Due to the nature of noncompliance by the school treasurer in safeguarding school money after collections, we referred our conclusions to the Department of Employee and Labor Relations (ELR) for review and appropriate action.

ELR indicated that there was no ill-intent and the Principal will address the issue with a Memorandum to the subject employee.



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

LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

FROM: Lung Chiu, CPA, Inspector General

DATE: May 15, 2020

SUBJECT: Unannounced Cash Count at Roosevelt Elementary School

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's 2019-2020 Work Plan*, we have conducted an unannounced cash count at Roosevelt Elementary School on December 18, 2019. The primary objectives of this cash count were to determine:

- (1) If all the monies in the drop-safe and change funds were properly accounted for; and
- (2) The extent of compliance with District procedures to safeguard money after collections.

SCOPE AND METHODOLOGY

To accomplish the objectives of this project, we interviewed appropriate school staff and reviewed:

- Applicable District's procedures related to money collections including:
 - *Internal Accounts Manual, Chapter 7 – Cash Receipts and Deposit*
 - *Bulletin #P-14051-S/CFO – Drop-safe Log Procedures*
 - *Bulletin #P 18-132 CFO – FY18 Updated Drop-safe Log Procedures*
- Internal Funds collection records, including *Drop-safe Log*, *Armored Car Courier Log*, and bank deposit records.

Draft findings were sent to the school principal and the Office of Chief Financial Officer for review and comment. The management responses are included in the Appendix. We appreciate the courtesy and cooperation extended to us by all the school staff during the audit. The final draft report was presented to the Audit Committee at its May 15, 2020, Meeting.

BACKGROUND

As part of the risk assessment for the Internal Funds Audits of schools, we periodically analyze and compare schools' collections and bank deposit records. During our ongoing analysis during December 2019, we noted certain potential irregularities in money collection and deposit at Roosevelt Elementary School. As a result, we conducted the unannounced cash count at the school on December 18, 2019. We examined the contents in the drop-safe, and reviewed Internal Funds accounting records in the SchoolCash.net accounting system, armored car *Courier Log*, and bank records. The unannounced visit and review produced the following conclusions.

REFERRAL TO EMPLOYEE & LABOR RELATIONS

Due to the nature of noncompliance by the school treasurer in safeguarding school money after collections, we referred our conclusions to the Department of Employee and Labor Relations (ELR) for review and appropriate action.

ELR indicated that there was no ill-intent and the principal will address the issue with a Memorandum to the subject employee.

CONCLUSIONS

1. Some Collections Neither Safeguarded Nor Timely Deposited

Missing Deposit Found in School Treasurer's Desk. According to the school's accounting records, the school treasurer prepared a deposit totaling \$1,442.15 (\$1,162.15 in cash and \$280 in checks) on December 3, 2019. As of December 18, 2019 (i.e., 11 working days after the treasurer prepared the deposit), the bank records did not show the credit for this deposit. During our visit at the school, we did not find the prepared deposit in the drop-safe. We also examined the *Courier Log* and found that this deposit had not been recorded for pickup by the armored car service.

After we questioned the school treasurer and explained to the principal about the missing deposit, the school treasurer indicated that she has found the \$1,442.15 in a prepared deposit bag in her desk drawer. The deposit bag was **not sealed** and contained cash, checks, and a deposit ticket dated December 3, 2019. We checked the contents of the deposit bag and found \$1,122.15 in cash and \$280 in checks. The school treasurer stated that she forgot the bag being placed in her desk, and she might have used the \$40 (\$1,162.15 - \$1,122.15) in cash as a change fund.

Courier Logs Not Properly Maintained. The District contracts with an armored car pickup service to transport monies from schools to the bank two to three times per week. A separate *Courier Log* is completed by the school treasurer for each completed bank deposit. Information entered by the school treasurer on the log includes the date of entry, deposit bag

barcode number, total deposit amount sealed in the bag, and the destination. Upon the arrival of armored car driver for pickup, staff retrieve the prepared deposits from the drop-safe, and the courier driver scans the barcode on each bag and completes the *Courier Log* with dated signature / initials. School staff releases the bags to the driver, and initials the *Courier Log*. A separate *Courier Log* is maintained by the cafeteria manager for deposit of food service collections.

We noted several noncompliance for the handling of the *Courier Logs* for both the school Internal Funds and cafeteria bank deposits.

- The school treasurer did not list the 12/3/2019 deposit (\$1,442.15) on the school's Internal Funds *Courier Log*.
- The cafeteria manager did not list the 12/13/2019 deposit (\$67.81) on the cafeteria's *Courier Log*.
- On 12/17/2019, the armored car driver erroneously signed the *Courier Log* for pick up of the 12/13/2019 deposit (\$4,490.50) in the school's Internal Funds collections. This bank deposit bag was found in the drop-safe on 12/18/2019 during the unannounced cash count.
- The armored car company confirmed that the two bags picked up by the driver on 12/17/2019 were both from the cafeteria, and did not include the 12/13/2019 \$4,490.50 in Internal Funds deposit. One was the unlisted 12/13/19 cafeteria deposit.
- The company's confirmation also indicated that the courier had recorded a pick up from the cafeteria on 12/13/2019 for \$6,340. That pick up was actually \$63.40, instead of \$6,340.

Recommendation

As required by *Internal Accounts Manual, Chapter 7, DOE Rules* and *District Bulletin #P-14051-S/CFO*,

- (1) Deposits should be recorded on the *Courier's Log* and the deposit bag should be secured in the safe until the courier arrives; and
- (2) 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 subject the monies to unwarranted exposure and result in financial irregularities.

Management's Responses:

Former School Treasurer: *No dispute. I locked the money in my drawer, \$40 was found in drawer.*

(Please see page 6.)

Principal of Roosevelt Elementary: Concurr.

1. *School Principal will direct School Treasurer, School Food Service Manager and/or Designee to record deposits correctly on the Courier's Log and hold deposits in the safe until the school's courier pick up days – Tuesdays & Fridays.*
2. *School Principal will direct trained school faculty/staff to comply district protocols of dropping monies collected within five business days after the collection. (Noted on March 2020 Faculty Meeting Agenda)*
3. *School Principal will direct School Treasure to hold monies collected in the safe.*

The above actions will be on-going throughout the school year and moving forward. In addition, Roosevelt Elementary will be hiring a new School Treasurer as the position became vacant on January 21, 2020. It will be expected that the new School Treasurer complies with all district protocols, policies and procedures when handling, securing and processing money.

(Please see page 7.)

Office of the CFO:

Deposits should be recorded on Courier's Log and Deposit bag should be secured in the safe: *Management concurs – This procedure is included as part of Internal Accounts Training. All completed deposits, whether for the school's internal account or School Food Service, should be properly documented on the appropriate courier log book before being put in the safe for pick-up.*

Monies collected should be put into the drop-safe daily, and deposited to the bank within five working days: *Management concurs – This procedures is included as part of Internal Accounts Training for Treasurers.*

(Please see page 8.)

2. Staff Not Using Drop-safe Log

During our December 18, 2019, unannounced site visit, we identified a collection of \$650 in the drop-safe. However, the *Drop-safe Log* has no record of this deposit. District **Bulletin #P 18-132 CFO**, states,

“The Drop Safe Log is an important internal control document for school internal funds. It ensures that funds turned in by Teacher/Sponsors and dropped in the safe are removed for deposit and that receipts are furnished to teachers. By comparing the receipts vs. the Drop Safe Log, and funds that were not deposited as expected can be identified and reported to the Principal immediately for further investigation.”

Recommendation

To ensure proper fiscal accountability as required by **Bulletins #P-14051-S/CFO** and **#P 18-132 CFO**, responsible staff should complete the *Drop-safe Log* with all the required deposit information before dropping off the collections into the safe.

Management's Responses:

Principal of Roosevelt Elementary: *Concurs. School Principal will direct trained faculty/staff to complete the Drop Safe Log to include all deposit information before dropping deposits in the safe. The above actions will be on-going throughout the school year and moving forward. (Noted on March 2020 Faculty Meeting Agenda.)*

(Please see page 7.)

Office of the CFO: *Staff should complete the Drop-Safe Log with required deposit information before dropping collection in the safe: Management concurs – This procedure is covered in the eLM Course – Internal Accounts: Cash Receipts for Teacher/Sponsors.*

(Please see page 8.)

Additional Comments from Office of the CFO: *While District staff continues to enhance both in-person and on-line training, the prescribed procedures must be implemented with fidelity by staff to be effective. (Please see page 8.)*

– End of Report –

Management's Response
Former School Treasurer of Roosevelt Elementary



Randy Law <randy.law@palmbeachschools.org>

Re: Unannounced Cash Count at Roosevelt Elementary School

1 message

Sheereeneca Evans <sheereeneca.evans@palmbeachschools.org>
To: Randy Law <randy.law@palmbeachschools.org>

Mon, Feb 10, 2020 at 12:13 PM

thank you, no dispute. I locked the money in my drawer, \$40 was found in drawer.

On Wed, Jan 22, 2020 at 3:52 PM Randy Law <randy.law@palmbeachschools.org> wrote:

Pursuant to the *Office of Inspector General's 2019-2020 Work Plan*, we have conducted an unannounced cash count at Roosevelt Elementary School on December 18, 2019. The primary objectives of this cash count were to determine (1) if all the monies in the drop-safe and change funds were properly accounted for, and (2) the extent of compliance with District procedures in safeguarding money after collections.

Attached for your review and response is a copy of the draft report of the special review. To ensure the balance of our findings, please review the draft report and provide us with a written response by February 20, 2020.

If you have any questions about the report, please feel free to contact me at PX47335.

Randy Law, Director of Audit
Office of Inspector General

--
Sheereeneca Evans-Cintron
Senior Accounting Technician
Department of Instructional Materials
School District of Palm Beach County
1400 North Florida Mango Road
West Palm Beach, FL 33409
Telephone: 561-684-5113; Fax: 561-684-5107
Sheereeneca.Evans@palmbeachschools.org

RECEIVED
FEB 10 2020
INSPECTOR GENERAL

Management's Response
Principal of Roosevelt Elementary

Roosevelt Elementary School

1220 15th (LA Kirksey) Street ◊ West Palm Beach, Florida 33401

"A Title I School"

Telephone (561) 653-5100 Fax (561) 653-5150



Mrs. Sharonda Alleyne
Principal

Ms. Denesha Kitchen
Assistant Principal



February 18, 2020

This email is written to provide a response to the **Unannounced Cash Count at Roosevelt Elementary School Memorandum** written on January 23, 2020.

I have reviewed the memorandum and concur with the conclusions. Below you will find the corrective actions that will take place moving forward:

1. School Principal will direct School Treasurer, School Food Service Manager and/or Designee to record deposits correctly on the Courier's Log and hold deposits in the safe until the school's courier pick up days – Tuesdays & Fridays.
2. School Principal will direct trained school faculty/staff to comply with district protocols of dropping monies collected within five business days after the collection. *(Noted on March 2020 Faculty Meeting Agenda)*
3. School Principal will direct trained faculty/staff to complete the Drop Safe Log to include all deposit information before dropping deposits in the safe. *(Noted on March 2020 Faculty Meeting Agenda)*
4. School Principal will direct School Treasurer to hold monies collected in the safe.

The above actions will be on-going throughout the school year and moving forward. In addition, Roosevelt Elementary will be hiring a new School Treasurer as the position became vacant on January 21, 2020. It will be expected that the new School Treasurer complies with all district protocols, policies and procedures when handling, securing and processing money.

If you have any questions, please do not hesitate to contact me @ 561-653-5104.

Educationally yours,

Sharonda Alleyne
Principal

RECEIVED
FEB 19 2020
INSPECTOR GENERAL

School Mission: "Learning TODAY to prepare for our FUTURE".

Management's Response
Office of the CFO



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL

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

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

MICHAEL J. BURKE
CHIEF FINANCIAL OFFICER

Donald E. Fennoy II, Ed.D.
SUPERINTENDENT

MEMORANDUM

TO: Lung Chiu, Inspector General
FROM: Michael J. Burke, Chief Financial Officer *MJB*
DATE: February 18, 2020
SUBJECT: Response to Unannounced Cash Count at Roosevelt Elementary School

RECEIVED
FEB 18 2020
INSPECTOR GENERAL

Management reviewed the Report related to Unannounced Cash Count at Roosevelt Elementary School and has the following responses to recommendations.

- 1) **Deposits should be recorded on Courier's Log and Deposit bag should be secured in the safe**
Management Concurs – This procedure is included as part of Internal Accounts Training. All completed deposits, whether for the school's internal account or School Food Service, should be properly documented on the appropriate courier log book before being put in the safe for pick-up.

Monies collected should be put into the drop-safe daily, and deposited to the bank within five working days
Management Concurs – This procedure is included as part of Internal Accounts Training for Treasurers.
- 2) **Staff should complete the Drop-Safe Log with required deposit information before dropping collection in the safe**
Management Concurs – This procedure is covered in the eLM Course - Internal Accounts: Cash Receipts for Teacher/Sponsors.

While District staff continues to enhance both in-person and on-line training, the prescribed procedures must be implemented with fidelity by school staff to be effective.

MJB/NS:mw

cc: Nancy Samuels, Director of Accounting
Randy Law, Director of Audit, Inspector General Office

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