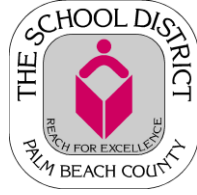


**Mid-Year Review  
Of Internal Funds for Four Schools**

**April 10, 2015**

**Report #2015-05**



## **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.

E. Wayne Gent  
Superintendent of Schools

### **School Board Members**

Chuck Shaw, Chair  
Frank A. Barbieri, Jr., Esq., Vice Chair  
Marcia Andrews  
Karen M. Brill  
Michael Murgio  
Debra L. Robinson, M.D.  
Erica Whitfield

### **Audit Committee Members**

Noah Silver, CPA, Chair  
David H. Talley, Vice Chair  
N. Ronald Bennett, CPA  
Michael Dixon, CPA/PFS  
Richard Roberts, CPA  
Bill Thrasher, CGFO

### **Representatives**

Frank A. Barbieri, Jr., Esq., Vice Chair, School Board  
E. Wayne Gent, Superintendent of Schools  
JulieAnn Rico, Esq., General Counsel  
Bobbi Moretto, Principal Representative  
Dr. Kathryn Gundlach, President, CTA

---

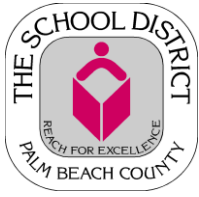
**Mid-Year Review  
Of Internal Funds for Four Schools**

**Table of Contents**

---

	<b>Page</b>
<b>PURPOSE AND AUTHORITY</b>	1
<b>SCOPE AND METHODOLOGY</b>	1
<b>CONCLUSIONS</b>	
1. No Significant Noncompliances at Coral Reef Elementary, Lantana Elementary, and Lake Worth Middle	2
2. Two Noncompliances Noted at Hidden Oaks Elementary	2

This page intentionally left blank.



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

SCHOOL BOARD  
CHUCK SHAW, CHAIRMAN  
FRANK A. BARBIERI, JR, ESQ., VICE CHAIRMAN  
MARCIA ANDREWS  
KAREN M. BRILL  
MICHAEL MURGIO  
DEBRA L. ROBINSON, M.D.  
ERICA WHITFIELD

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: April 10, 2015

SUBJECT: Mid-Year Review of Internal Funds for Four Schools

---

### PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's 2014-15 Work Plan* and in response to requests for audit from school principals due to change in administrator/bookkeeper, we have completed the Mid-Year Review of Internal Funds for Lantana Elementary, Coral Reef Elementary, Hidden Oaks Elementary, and Lake Worth Middle. The primary objective of the reviews was to determine the extent of compliance with the related rules and regulations for Internal Funds before transitioning of new staff into the schools.

### SCOPE AND METHODOLOGY

The Mid-Year Review covered the period of July through December 2014 for (1) Coral Reef Elementary, (2) Hidden Oaks Elementary, and (3) Lantana Elementary; and July 2014 through February 2015 for (4) Lake Worth Middle.

The review included interviewing school staff and reviewing the following records:

- Internal Funds General Ledger
- Bank reconciliations
- *Drop-Safe Logs*
- Revenue collections
- Fundraising activities
- Disbursements and P-Card purchases
- Afterschool Program
- School facilities leasing
- Pre-numbered documents

Our conclusions were discussed with school staff during the review. Draft conclusions were sent to the schools for management response. We appreciate the courtesy and cooperation extended to us by staff during the fieldwork. The final draft report was presented to the Audit Committee at its April 10, 2015, meeting.

## CONCLUSIONS

### 1. No Significant Noncompliances at Coral Reef Elementary, Lantana Elementary, and Lake Worth Middle

While not every error or control weakness is necessarily identified during our review engagement, we would like to recognize Coral Reef Elementary, Lantana Elementary, and Lake Worth Middle that no significant noncompliances or weaknesses were found during the mid-year reviews.

### 2. Two Noncompliances Noted at Hidden Oaks Elementary

Our Mid-Year Review of Hidden Oaks Elementary found two noncompliances with District's procedures:

- *Lease Agreement* #1001 was not signed by the lessee, and was not approved by the Principal until three days after the leasehold period began. Moreover, the August 2014 rental charges from this lease were not collected from the lessee until four days after the lessee began using the facilities.
- Two sample disbursements (#10836 for \$1,250 and #10843 for \$2,797) exceeded the \$1,000 *Purchase Order* threshold. However, these disbursements did not have the required *Purchase Orders*.

## Recommendations

Disbursements and leasing of school facilities for community use should be administered in accordance with the related *School Board Policies* and District's guidelines. Specifically,

- *Lease Agreement* should be properly executed with all the required signatures prior to the use of facility by lessee.
- *School Policy 7.18, Community Use of School Facilities*, requires that "*Fees are to be paid by check or credit card (no cash) at least forty-eight (48) hours prior to the use of a facility.*"
- All purchases should be pre-approved by the Principal. *Purchase Order* approved by the Principal is required for purchase in excess of \$1,000. This will help ensure that funds are and will be available for the purchase.

***Management's Response from Hidden Oaks Elementary's Principal: Concur.***

- *We will attempt to have lessee sign agreement prior to using the facility.*
- *In the future purchases that will exceed \$1,000.00 will be pre-approved by the principal.*

– End of Report –