

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

February 15, 2019

Report #2019-04



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.

Donald E. Fennoy II, Ed.D.
Superintendent of Schools

School Board Members

Frank A. Barbieri, Jr., Esq., Chairman
Chuck Shaw, Vice Chairman
Marcia Andrews
Karen M. Brill
Barbara McQuinn
Debra L. Robinson, M.D.
Erica Whitfield

Audit Committee Members

Noah Silver, CPA, Chairman
David H. Talley, Vice Chairman
Tammy McDonald Anderson
N. Ronald Bennett, CPA
Michael Dixon, CPA/PFS
Deborah Manzo
Chandler Williamson

Audit Committee Representatives

Frank A. Barbieri, Jr., Esq., School Board Chairman
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Mike Burke, Chief Financial Officer
JulieAnn Rico, Esq., General Counsel
Maureen Werner, Principal Representative
Justin Katz, CTA President

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

Table of Contents

	Page
EXECUTIVE SUMMARY	i
PURPOSE AND AUTHORITY	1
SCOPE AND METHODOLOGY	1
BACKGROUND	2
CONCLUSIONS	
1. Collections Deposited With Minor Discrepancies	2
2. Missing <i>Drop-safe Log</i> Pages	3
3. Noncompliance With <i>Drop-safe Log</i> Procedures	4
4. Collections Not Deposited Timely or in the Order Put in the Safe	6
5. Information Changed on <i>Monies Collected Reports</i> Inconsistent With <i>Manual</i>	7
6. 13% of Yellow MCRs Unavailable for Review	8
APPENDIX	
A. Management’s Response – Principal of U.B. Kinsey/Palmview Elementary	10
B. Management’s Response – Office of the CFO	11

This page intentionally left blank.

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

EXECUTIVE SUMMARY

Pursuant to the *Office of Inspector General's (OIG) 2017-18 Work Plan* and in response to the referral from the District's Accounting Services Department, we have reviewed the deposit records and money collection procedures at U.B. Kinsey/Palmview Elementary School during Fiscal Year 2018. The primary objective of this special review was to determine whether all the collections turned in were properly processed and deposited accordingly by the school treasurer. The review produced the following major conclusions:

1. Collections Deposited With Minor Discrepancies

Minor Discrepancies in Unannounced Cash Count. The OIG (a) performed an unannounced cash count at the school on May 18, 2018; and (b) compared the cash count results to the deposit records on SchoolCash.net (General Ledger) on May 21, 2018. The cash count included 41 collections, totaling \$7,018.76, recorded on the *Drop-safe Logs (DSLs)*, and concluded that no money was missing, except a discrepancy of \$47.76 (shortage) was noted compared to the 41 collection records.

Minor Discrepancies Noted Between Yellow Monies Collected Reports (MCRs) and Deposit Records. The OIG obtained all the available *DSLs* and yellow copies of *MCRs* retained by other school staff for Fiscal Year 2018. Based on the available *DSLs* and yellow *MCRs*, all money collected was accounted for in the Internal Funds. However, some minor discrepancies were noted between the collections records and the amount recorded in the Internal Funds *General Ledger*.

2. Missing Drop-safe Log Pages

The OIG reviewed all available *Drop-safe Logs* and found that nine pages were missing. Three of the nine missing *DSL* pages (#s14-41296, 14-41332, and 14-41334) had been previously scanned by the school's Document Custodian into the District's Imaging System. However, the original pages were missing from the *Drop-safe Log* binder during our review. Without the other six pages of the *Drop-safe Log*, there is no assurance that all the collections had been promptly deposited into the Internal Funds.

3. Noncompliance With Drop-safe Log Procedures

Unrestricted Access to the Drop-safe. It appeared the treasurer had the full combination to access the drop-safe. For example, collections for Deposit #806 were removed for processing on January 12, 2018. *Section 2 of Drop-safe Log (DSL)* page #14-41348 were initialed by both the treasurer and the school secretary (acting as verifier), although the PeopleSoft System indicated that the school secretary took eight hours of sick leave on January 12, 2018. According to the Principal, the secretary sometimes puts in a *TDE (Leave of Absence) Form* for the entire day but she may show up at work in the morning to help with the opening of the school, and takes off for the rest of the day.

Removal of Collections Not Confirmed by Staff Verifier. *Section 2* on five *DSL* pages were initialed only by the treasurer. There was no evidence that the required second staff member was present when the collections were removed from the safe for verification that (1) all collections were listed on the *DSL*, and (2) all collections recorded on the *DSL* were found in the safe.

Verification of *Section 3* of the *Drop-safe Log* Not Properly Completed. The staff verifier did not sign *Section 3* on six pages of the *Drop-safe Log*. Instead, *Section 3* on these pages were only signed by the school treasurer. Additionally, *Section 3* on two pages of the *Log* did not include the *Official Receipt* number and the staff verifier's initials. Consequently, there was no independent confirmation that collections recorded on those pages were deposited into the Internal Funds by the treasurer.

4. Collections Not Deposited Timely or in the Order Put in the Safe

Our review of the *Drop-safe Log* found \$7,983.68 in collections recorded on six pages of the *Log* were not deposited timely into the Internal Funds or not in the order they were put in the safe. Moreover, \$15,042.12 in collections recorded on another five pages of the *Log* were not deposited timely after removal from the safe and had no explanations for the delays. The delays ranged from nine to 10 working days after the monies were removed from the safe.

5. Information Changed on *Monies Collected Reports* Inconsistent With *Manual*

The information for collections and the total dollar amounts for deposit listed on 39 (or 4%) of the 883 *Monies Collected Reports (MCRs)* were changed after the treasurer counted the monies. However, the changes on the *MCRs* were not made in a manner consistent with **Chapter 7** of the *Internal Accounts Manual*, which states that “*To change a MCR, cross through the incorrect information and write in the correct information in ink, and initial the change. Note any changes to the deposit amount on the Drop-safe Log.*”

6. 13% of Yellow *MCRs* Unavailable for Review

During July 1, 2017, and May 17, 2018, there were 55 bank deposits, from 780 *MCRs*, totaling \$238,641.87. The *OIG* requested all the related yellow copies of the *MCRs* for review. However, 74 yellow copy *MCRs*, totaling \$18,310.38, were not available for *OIG* review. Apparently, these 74 *MCRs* were either missing or not retained by staff. Additionally, 19 staff submitted a total of 192 yellow copy *MCRs* with the *Official Receipts* generated by the Internal Funds Accounting System. However, they did not match the yellow copy to the *Official Receipt* as required by the *Internal Accounts Manual, Chapter 7, Cash Receipts and Deposit*, which states that “*The teacher/sponsor should verify the computer-generated receipt against the temporary receipt (yellow copy of the MCR) and retain it for future reference until the end of the year when they turn the yellow copies of the MCR and the computerized receipt to the school secretary.*”

Management's Responses: *Both the Principal of U.B. Kinsey/Palmview Elementary School and the Office of the CFO concur with all the conclusions for this review.*



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

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

DONALD E. FENNOY II, Ed.D., SUPERINTENDENT

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: February 15, 2019

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

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2017-18 Work Plan* and in response to the referral from the District's Accounting Services Department, we have reviewed the deposit records and money collection procedures at U.B. Kinsey/Palmview Elementary School during Fiscal Year 2018. The primary objective of this special review was to determine whether all the collections turned in were properly processed and deposited accordingly by the school treasurer.

SCOPE AND METHODOLOGY

This review focused on whether the school treasurer processed the collections and deposited the money accordingly. Adequacy of money collection process for leasing, Afterschool Programming, and fundraising was part of the 2018 Annual Internal Funds Audit of the school. For this special review, we interviewed related school and department staff and reviewed the following documents and relevant information:

- ***DOE Rules (Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)***
- ***District Bulletins***
 - ***#P-14051-S/CFO*** – Drop Safe Log Procedures for School Deposits
 - ***#P 18-132 CFO*** – FY18 Updated Drop Safe Log Procedures
- ***Internal Accounts Manual, Chapter 7*** – Cash Receipts and Deposits
- ***Drop-safe Log***
- Deposit documentation
- Bank reconciliations and statements
- Internal Funds *General Ledger*
- Sponsor's copies of *Monies Collected Reports* retained by school's administration (yellow MCRs)

Draft findings were sent to the school and the District's Financial Management Division 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 included in the February 15, 2019, Audit Committee Meeting agenda

BACKGROUND

On May 18, 2018, the District's Accounting Services Department (Accounting) informed the OIG concerning the money handling procedures at U.B. Kinsey/Palmview Elementary. As part of the ongoing monitoring of the school's *Drop-safe Logs (Logs)*, Accounting was unable to obtain the required scanned records of the *Logs* from the school. During an unannounced visit by Accounting staff on May 17, 2018, staff noted 19 pages of the *Log* and the corresponding *Official Receipts* were kept in the school treasurer's office. The earliest date of the *Log* pages was October 31, 2017, about seven months old.

On May 18, 2018, the OIG made an unannounced visit to the school. Subsequently, the Principal was informed of the money handling concerns and our office would conduct a complete review of the deposit and collection records. We also conducted a cash count while we were onsite.

CONCLUSIONS

This review produced the following conclusions:

1. Collections Deposited With Minor Discrepancies

Minor Discrepancies in Unannounced Cash Count. On May 18, 2018, OIG performed an unannounced cash count at the school. There were 41 collections, totaling \$7,018.76, listed on four pages on the *Drop-safe Log (DSL)*. We counted each collection and compared them to the accompanying *Monies Collected Reports (MCRs)*. We found six collections with discrepancies in cash ranging from a shortage of \$40 to an overage of \$5. The net difference of the six collections differences was a shortage of \$42.76.

On Monday, May 21, 2018, OIG compared the unannounced cash count results to the deposit records on SchoolCash.net (General Ledger) for Deposit #828. The treasurer deposited all the collections recorded on the four pages of the DSL and all of the counts agreed with one minor exception. The treasurer found one collection (Receipt #0896) to be \$5 short with \$55 instead of \$60 as recorded on the receipt. Our count found that the entire \$60 was in the bag on May 18, 2018. The total shortage for Deposit #828 when compared to the DSL pages was a total of \$47.76 (\$42.76 + \$5).

Minor Discrepancies Noted Between Yellow MCRs and Deposit Records. The OIG obtained all the available *DSLs* and yellow copies of *MCRs* retained by other school staff during Fiscal Year 2018. Based on the available *DSLs* and yellow *MCRs*, all money collected was accounted for in the Internal Funds. However, some minor discrepancies were noted between the collections records and the amount recorded in the Internal Funds *General Ledger*.

Management's Response:

Office of the CFO: Management concurs: Treasurers are taught through one-on-one training and Document Custodians are taught through eLearning Management (eLM) to make a notation on the DSL and the Monies Collected Report (MCR) when there are discrepancies. (Please see page 11.)

2. Missing Drop-safe Log Pages

The OIG reviewed all available *Drop-safe Logs* and found that nine pages were missing. The analysis of the deposit and collection records indicated that the missing pages should have accounted for the following information:

Table 1
Missing Drop-safe Log Pages

DSL Page #s	Amount of Collections	Collection included in Deposit #	Deposit Date	Official Receipt Numbers
14-41296 ^(Note)	\$5.90	Dep #773	08/15/2017	0014
14-41316	0.00	Unused page	No Deposit	No numbers skipped
14-41331	10,107.49	Dep #796	11/16/2017	0385 - 0407
14-41332 ^(Note)	7,402.84	Dep #797	11/30/2017	0408 - 0426
14-41333				
14-41334				
14-41338	4,349.78	Dep #800	12/06/2017	0461 - 0471
14-41342	1,838.13	Dep #803	12/14/2017	0507, 0511 - 0521
14-41344 ^(Note)	8,153.75	Dep #804	12/19/2017	0522, 0524 - 0528, 0531 - 0534, 0536 - 0539
9 DSL pages	\$31,857.89			

Note: These three DSL pages had been previously scanned and were available in the District's imaging system.

Three of the nine missing *DSL* pages (#s14-41296, 14-41332, and 14-41334) had been previously scanned by the school's Document Custodian into the District's imaging system. However, the original pages were missing from the *Drop-safe Log* binder during our fieldwork. Without the other six pages of the *Drop-safe Log*, there is no assurance that all collections were deposited into the Internal Funds.

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P 18-132 CFO*, “Completed Drop-safe Logs along with PBSB 2587 will be filed sequentially in a binder by document number and shall be retained for five years.”

Management’s Response:

Principal of U.B. Kinsey/Palmview Elementary: Administration will ensure that the drop safe logs are completed and filed sequentially in a binder and retained for five years. (Please see page 10.)

Office of the CFO: Management concurs: The DSL training, as well as PBSB 2587, states: After the principal reviews the Drop Safe Log Packet and it has been scanned, the entire DSL Packet will be filed in the DSL Binder and will be retained in a secure location for five fiscal years. (Please see page 11.)

3. Noncompliance With Drop-safe Log Procedures

Unrestricted Access to the Drop-safe. It appeared the treasurer had the full combination to access the drop-safe. For example, collections for Deposit #806 were removed for processing on January 12, 2018. *Section 2 of Drop-safe Log (DSL)* page #14-41348 appeared to have been initialed by both the treasurer and the school secretary (acting as verifier). However, the PeopleSoft System indicated that the school secretary reportedly took eight hours of sick leave on January 12, 2018. OIG interviewed the secretary and Principal, and the secretary confirmed that the initials in *Section 2 of DSL* page #14-41348 were the treasurer’s and hers. However, the secretary could not remember if she came in to work on that day. According to the Principal, the secretary sometimes puts in a *TDE (Leave of Absence) Form* for the entire day but she may show up at work in the morning to help with the opening of the school, and takes off for the rest of the day.

Removal of Collections Not Confirmed by Staff Verifier. *Section 2* on five *DSL* pages (#s 14-41343, and 50-47007 through 50-47010) were initialed only by the treasurer. There was no evidence that the required second staff member was present when the collections were removed from the safe for verification that (1) all collections were listed on the *DSL*, and (2) all collections recorded on the *DSL* were found in the safe.

Verification of *Section 3* of the Drop-safe Log Not Properly Completed. The staff verifier did not sign *Section 3* on six pages of the *Drop-safe Log*. Instead, *Section 3* on these pages were only signed by the school treasurer.

Table 2
Drop-safe Log Page Verified by Treasurer Alone

DSL Page #s	Amount of Collections	Deposit Number	Date Removed from Safe	Date Deposited Into Internal Funds (SchoolCash.net)
14-41313	\$3,880.75	Dep #787	10/17/2017	10/17/2017
14-41314	1,950.00	Dep #787	10/17/2017	10/17/2017
14-41315	3,420.00	Dep #788	10/19/2017	10/19/2017
14-41317	10,318.10	Dep #789	10/24/2017	10/26/2017
14-41318	5,493.46	Dep #789	10/24/2017	10/26/2017
14-41328	2,934.82	Dep #793	11/08/2017	11/08/2017
6 DSL pages	\$27,997.13			

Additionally, *Section 3* on two pages of the *DSL* (#s 14-41323 and 50-47006) did not include the *Official Receipt* number and the staff verifier’s initials. Consequently, there was no independent confirmation that collections recorded on those pages were deposited into the Internal Funds by the treasurer.

Recommendation

To ensure proper fiscal accountability and safeguarding of school assets, the school should comply with the requirements of *District Bulletins #P-14051-S/CFO* and *#P 18-132 CFO*:

- *District Bulletin #P 18-132 CFO* states “*The safe may be opened ... by the [school] treasurer and another staff member (who are permitted to share portions of the safe combination and open the safe together).*” The Principal is the only person on campus permitted to have the full safe combination to access the safe. A work order should be placed immediately with the Facilities Services Department requesting a change of drop-safe combination. The new combination should be disseminated to selected staff members in accordance with District procedures.
- The treasurer and an independent staff should jointly verify the contents of the safe compared to *Section 2* of the *Log*. This is to confirm that the deposits from the safe were removed by the treasurer for processing. The staff verifier should complete *Section 3* of the *Log* after the treasurer entered the deposit information into the school’s accounting system.

Management’s Response:

Principal of U.B. Kinsey/Palmview Elementary:

- a. *Administration will ensure that fiscal accountability and safe guarding school assets by complying with the requirements of District Bulletin #P- 14051 and P3 18 – 132 CFO.*

- b. *The Principal submitted a work order requesting a change of the drop safe combination and disseminated the combination to selected staff members according District procedures. Completed on October 4, 2018.*

(Please see page 10.)

Office of the CFO: *Management concurs: Only the principal shall have the full combination and two people shall always remove the contents of the safe and verify the inventory against the DSL by initialing Section 2 of the DSL. (Please see page 11.)*

4. Collections Not Deposited Timely or in the Order Put in the Safe

Our review of the *Drop-safe Log* found \$7,983.68 in collections recorded on six pages of the *Log* were not deposited timely into the Internal Funds or in the order they were put in the safe.

Table 3
Collections Deposited Out-of-Sequence

DSL Page #s	Amount of Collections	Deposit Number	Date Removed from Safe	Date Deposited
50-47018	879.65	Dep #822	04/03/2018 ^(a)	04/19/2018
50-47019	677.77	Dep #822	04/03/2018 ^(a)	04/19/2018
50-47020	3,696.13	Dep #820 ^(b)	04/18/2018	04/18/2018
50-47021	974.00	Dep #819 ^(b)	04/18/2018	04/18/2018
50-47022	5.00	Dep #819 ^(b)	04/18/2018	04/18/2018
50-47023	1,751.13	Dep #821 ^(b)	04/19/2018	04/19/2018
6 DSL pages	\$7,983.68			

Notes: (a) Treasurer’s notation on *DSL* page: “Took out on 04/03/2018 but returned because [information for collection was] not complete.”

(b) Treasurer removed collections and processed three deposits (Dep #s 819, 820, and 821) before processing collections removed from safe on 4/3/2018.

Additionally, \$15,042.12 in collections recorded on another five pages of the *Log* were not deposited timely after removal from the safe and had no explanations for the delays. The delays ranged from nine to 10 working days after the monies were removed from the safe.

Table 4
Collections Deposited Late

DSL Page #s	Amount of Collections	Deposit Number	Date Removed from Safe	Date Deposited
50-47013	\$2,169.55	Dep #817	03/01/2018	03/14/2018 ^(a)
50-47014	5.00	Dep #817	03/01/2018	03/14/2018 ^(a)
50-47015	2,456.24	Dep #818	03/14/2018	04/04/2018 ^(b)
50-47016	3,263.66	Dep #818	03/14/2018	04/04/2018 ^(b)
50-47017	7,147.67	Dep #818	03/14/2018	04/04/2018 ^(b)
5 DSL pages	\$15,042.12			

Notes: (a) Deposit occurred 9 working days after monies were removed from the safe.
(b) Deposit occurred 10 working days after monies were removed from the safe (delay excludes Spring Break)

DOE Rules and *District Bulletins #P-14051-S/CFO* and *#P 18-132 CFO* require that monies collected be put into the drop-safe daily, and be deposited into the bank within five working days after collections. Delay in turning in the monies for deposit could subject the sponsor to unwarranted exposure and result in potential irregularities.

Recommendation

To ensure proper fiscal accountability, monies collected should be secured and deposited into the bank in a manner consistent with *DOE Rules* and *District Bulletins*.

Management’s Response:

Principal of U.B. Kinsey/Palmview Elementary: Administration met with the bookkeeper and reviewed District Bulletin #P-14051 and P3 18 -132 to ensure that monies collected and deposited within five working days. (Please see page 10.)

Office of the CFO: Management concurs: Treasurers are instructed to process a complete deposit matching the listing of the DSL. Once this irregularity was discovered by the Accounting DSL Analyst, the treasurer was reminded of the correct procedures. (Please see page 11.)

5. Information Changed on Monies Collected Reports Inconsistent With Manual

The information for collections and the total dollar amounts for deposit listed on 39 (or 4%) of the 883 *Monies Collected Reports (MCRs)* were changed after the treasurer counted the monies. However, the changes on the *MCRs* were not made in a manner consistent with the District procedures. Moreover, the treasurer did not complete the bottom portion of the *MCRs* with the initials and the Form Number for 15 deposits (#804 through 805, 808 through 810, 818 through 827).

Chapter 7 of the Internal Accounts Manual states, “To change a MCR, cross through the incorrect information and write in the correct information in ink, and initial the change. Note any changes to the deposit amount on the Drop-safe Log.”

Recommendation

To ensure proper fiscal accountability, changes on MCRs made by the treasurer should be made in a manner consistent with *Chapter 7 of the Internal Accounts Manual*.

Management’s Response:

Principal of U.B. Kinsey/Palmview Elementary: Administration discussed with the current bookkeeper about following procedures in accordance with the Internal Account Manual. (Please see page 10.)

Office of the CFO: Management concurs: Treasurers are taught through one-on-one training and Document Custodians are taught through eLM to make a notation on the DSL and the MCR when there are discrepancies. Staff is trained to notify the principal of large dollar amount or frequent discrepancies. (Please see page 11.)

6. 13% of Yellow MCRs Unavailable for Review

During July 1, 2017, and May 17, 2018, there were 55 bank deposits, from 780 MCRs, totaling \$238,641.87. The OIG requested all the related yellow copies of the MCRs for review.

- Administration provided the OIG with 476 yellow copy MCRs, totaling \$121,776.82 received from staff.
- OIG’s analysis revealed that three staff did not turn in 230 yellow copy MCRs, totaling \$98,554.67.
- An additional 74 yellow copy MCRs ($780 - 476 - 230 = 74$, or 13%), totaling \$18,310.38, were not available for OIG review. Apparently, these 74 MCRs were either missing or not retained by staff.

Additionally, 19 staff submitted a total of 192 yellow copy MCRs with the *Official Receipts* generated by the Internal Funds Accounting System. However, staff did not match the yellow copy to the *Official Receipt* (See Figure 1). As required by the *Internal Accounts Manual, Chapter 7, Cash Receipts and Deposit*,

“The teacher/sponsor should verify the computer-generated receipt against the temporary receipt (yellow copy of the MCR) and retain it for future reference until the end of the year when they turn the yellow copies of the MCR and the computerized receipt to the school secretary.”

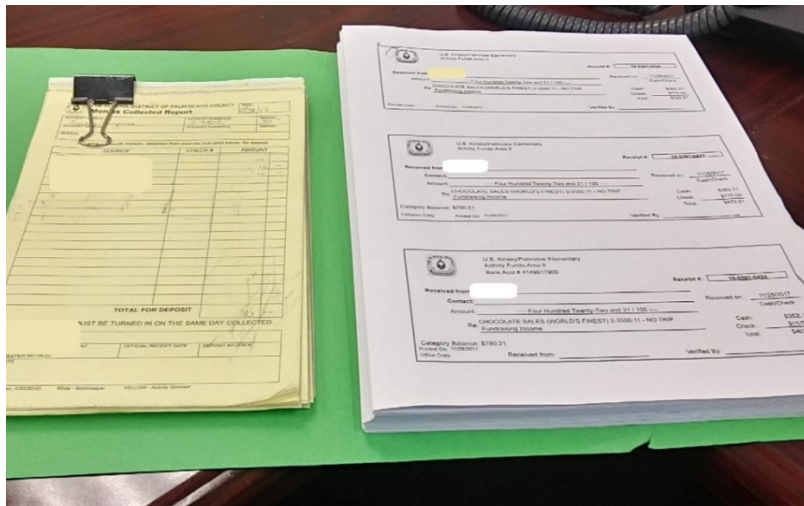


Figure 1 - Example of Unmatched MCRs and Official Receipts (redacted)

Recommendation

To ensure proper fiscal accountability and as required by *Bulletin #P-14051-S/CFO*, activity sponsors should keep the yellow copy of the MCR, instead of providing it to the school treasurer with the monies they collected. Keeping a copy of the MCR will assist the sponsors in (1) ensuring that the dollar amount indicated on the *Official Receipt* provided by the bookkeeper agrees with the monies collected and submitted for deposit, (2) tracking the account balance periodically, and (3) providing documentation for the amount of revenue collected if recording errors should occur.

Management's Response:

Principal of U.B. Kinsey/Palmview Elementary: Administration will review MCR's procedures during the December Faculty meeting and reiterate that MCR procedures are located in the U.B. Kinsey Teacher/ Staff Handbook. (Please see page 10.)

Office of the CFO: Management concurs: Teacher/Sponsors are taught in the eLM training, Internal Accounts: Cash Receipts for Teacher/Sponsors to verify the Official School Cash Receipt against the yellow copy of the MCR. These documents should be retained for the entire school year and given to the school secretary (or other office staff – other than the Treasurer) at the close of the year to be retained at the school for five fiscal years. (Please see page 11.)

– End of Report –

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

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



Adrienne Howard
Principal

Alexander Bemby
Assistant Principal

Mission Statement

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

To: Lung Chiu, Inspector General

From: Adrienne Howard, Principal

Date: December 4, 2018

Subject: Draft Audit Report
Review of Money Collections at U.B. Kinsey/Palmview Elementary School



Please see the attached response to the audit of Money Collections and Deposit Records at U.B. Kinsey/Palmview Elementary School during the Fiscal Year 2018. The primary objective of this special review was to determine whether all monies collected during the Fiscal Year 2018 were properly accounted for.

My response is only to the finding within the areas of my responsibilities. I concur with the following findings:

1. No Money Missing, with Minor Discrepancy
2. Missing Drop-safe Log Pages
 - a. Administration will ensure that the drop safe logs are completed and filed sequentially in a binder and retained for five years.
3. Noncompliance with Drop Safe Log procedures
 - a. Administration will ensure that fiscal accountability and safe guarding school assets by complying with the requirements of District Bulletin #P- 14051 and P3 18 – 132 CFO
 - b. The Principal submitted a work order requesting a change of the drop safe combination and disseminated the combination to selected staff members according District procedures. Completed on October 4, 2018.
4. Collections Not Deposited Timely or in the order put in the Safe
 - a. Administration met with the bookkeeper and reviewed District Bulletin #P-14051 and P3 18 - 132 to ensure that monies collected and deposited within five working days.
5. Change on Monies Collected Reports Inconsistent with Manual
 - a. Administration discussed with the current bookkeeper about following procedures in accordance with the Internal Account Manual.
6. 13% of MCRs Unavailable for Review
 - a. Administration will review MCR's procedures during the December Faculty meeting and reiterate that MCR procedures are located in the U.B. Kinsey Teacher/ Staff Handbook.

Thank you for the opportunity to comment on the subject draft audit report. We have reviewed the above-referenced draft report and we would like to provide this response as clarification of the steps we took to resolve and close this matter.

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/CFO

MICHAEL J. BURKE
CHIEF FINANCIAL OFFICER

Donald E. Fennoy II, Ed.D.
SUPERINTENDENT

RECEIVED
DEC 12 2018
INSPECTOR GENERAL

MEMORANDUM

TO: Lung Chiu, Inspector General

FROM: Mike Burke, Chief Financial Officer *MB*

DATE: December 11, 2018

SUBJECT: Response to Review of Money Collections at U.B. Kinsey Elementary School

During FY18, new procedures were put in place surrounding the District's Drop Safe Log (DSL). The DSL Packets from this school were not received timely and had notable issues. These issues prompted the Accounting DSL Analyst to notify the IG's office of the irregularities. Management reviewed the Report related to Review of Money Collections at U.B. Kinsey and has the following responses to recommendations.

- 1. No Money Missing, With Minor Discrepancy**
Management concurs: Treasurers are taught through one-on-one training and Document Custodians are taught through eLearning Management (eLM) to make a notation on the DSL and the Monies Collected Report (MCR) when there are discrepancies.
- 2. Missing Drop-Safe Log Pages**
Management concurs: The DSL training, as well as PBSO 2587, states: After the principal reviews the Drop Safe Log Packet and it has been scanned, the entire DSL Packet will be filed in the DSL Binder and will be retained in a secure location for five fiscal years.
- 3. Noncompliance with Drop-Safe Log Procedures**
Management concurs: Only the principal shall have the full combination and two people shall always remove the contents of the safe and verify the inventory against the DSL by initialing Section 2 of the DSL.
- 4. Collections Not Deposited Timely or in the Order Put in the Safe**
Management concurs: Treasurers are instructed to process a complete deposit matching the listing of the DSL. Once this irregularity was discovered by the Accounting DSL Analyst, the treasurer was reminded of the correct procedure.
- 5. Changes on Monies Collected Reports Inconsistent with Manual**
Management concurs: Treasurers are taught through one-on-one training and Document Custodians are taught through eLM to make a notation on the DSL and the MCR when there are discrepancies. Staff is trained to notify the principal of large dollar amount or frequent discrepancies.
- 6. 13% of MCRs unavailable for Review**
Management concurs: Teacher/Sponsors are taught in the eLM training, *Internal Accounts: Cash Receipts for Teacher/Sponsors* to verify the Official School Cash Receipt against the yellow copy of the MCR. These documents should be retained for the entire school year and given to the school secretary (or other office staff – other than the Treasurer) at the close of the year to be retained at the school for five fiscal years.

MJB/mw:NS

The School Board of Palm Beach County, Florida
A Top-Rated District by the Florida Department of Education Since 2005
An Equal Education Opportunity Provider and Employer