

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Calcasieu Parish School Board -  
Gillis Elementary School**  
Lake Charles, Louisiana

October 16, 2002



**Investigative Audit**

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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**Daniel G. Kyle, Ph.D., CPA, CFE**

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# **Calcasieu Parish School Board - Gillis Elementary School**

**October 16, 2002**



**Investigative Audit  
Office of the Legislative Auditor  
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor**

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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

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October 16, 2002

**MR. JUDE W. THERIOT, SUPERINTENDENT,  
AND MEMBERS OF THE CALCASIEU  
PARISH SCHOOL BOARD**  
Lake Charles, Louisiana

Transmitted herewith is our investigative report of the Calcasieu Parish School Board - Gillis Elementary School. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendations, as well as your response. Copies of this report have been delivered to the Honorable Robert Bryant, District Attorney for the Fourteenth Judicial District of Louisiana, and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

SED:SLC:DGP:dl

[CALSB-02]

# Executive Summary

## Investigative Audit Report Calcasieu Parish School Board - Gillis Elementary School

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### **Highlights . .**

Cash totaling \$7,385 was not deposited for the Extended Day Program at Gillis Elementary School. Ms. Linda Matte, Director, stated that she used cash from the program for personal use.

### **Finding (See page 5.)**

From June 1, 2000, through May 31, 2002, cash collected by the Gillis Elementary School Extended Day Program totaling \$7,385 was not deposited into the school district's bank accounts. Ms. Linda Matte, Director of the Extended Day Program, stated that she used cash from the Extended Day Program for personal use.

### **Recommendations (See page 7.)**

We recommend that the Calcasieu Parish School Board implement policies and procedures to ensure that all funds collected by individual schools are deposited properly and used for their intended purpose. These procedures, at a minimum, should require the following:

1. All individuals receiving funds should prepare and maintain accurate records reflecting all funds collected.
2. The Program director should provide pre-numbered receipts when funds are collected.
3. All collections should be deposited on a timely basis.
4. Collection records should be reconciled to deposit records in a timely manner.
5. Proper segregation of duties should be performed, whenever possible, so that individuals collecting funds directly from students and parents are not responsible for making their own deposits.

6. Principals should take an active oversight role in the financial operation of all school programs, to include the Extended Day Program.

Finally, we recommend that the District Attorney for the Fourteenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response (*See Attachment I.*)**

Management concurs with the finding and recommendations. Management is aware of its responsibility that procedures and policies are in place and followed by the staff. Management is implementing additional training for both principals and bookkeepers to ensure that they are knowledgeable of all extended day policies and procedures.

# Background and Methodology

A fifteen-member board governs the Calcasieu Parish School System with each member serving a concurrent four-year term. It is the responsibility of the School Board to make public education available to the residents of Calcasieu Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance, and bus transportation. The School Board provides a full range of public education services to grade levels ranging from pre-kindergarten through grade twelve. These include regular and enriched academic education, special education for handicapped children as well as vocational education.

The School Board is authorized to establish public schools, as it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine the local supplement to their salaries. Accordingly, the School Board is not included in any other government reporting entity since the School Board members are elected by the public and have decision-making authority and have the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

On July 17, 2002, the legislative auditor issued a report on the Calcasieu Parish School Board regarding funds missing from the Extended Day Program at E.K. Key Elementary School. This report included recommendations to the School Board that should safeguard funds. Approximately two weeks after the issuance of that report, the Internal Audit Department of the School Board discovered certain improprieties at Gillis Elementary School. As a result, the legislative auditor was notified by the School Board and assisted the Internal Audit Department in a joint investigative audit of the alleged improprieties. We acknowledge the assistance provided this investigation by Superintendent Jude W. Theriot and his staff.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of Gillis Elementary School; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the schools; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

The result of our investigative audit is the finding and recommendations herein.



# Finding

**From June 1, 2000, through May 31, 2002, cash collected by the Gillis Elementary School Extended Day Program totaling \$7,385 was not deposited into the school district's bank accounts. Ms. Linda Matte, Director of the Extended Day Program, stated that she used cash from the Extended Day Program for personal use.**

The Extended Day Program (Program) provides after school care for children attending Gillis Elementary School. Ms. Linda Matte has been the director for the Program since June 2000. Her duties include keeping the books, collecting receipts, and making deposits into the school district's bank accounts. Program collections are composed of student insurance fees collected at the beginning of the school year and monthly collections of tuition and snack money. Insurance and tuition money is deposited into the school district bank account designated for the Extended Day Program while snack money is deposited into the Student Activity Fund bank account.

Receipts are written and a copy is given to parents and caretakers when Program workers collect the payments. Denoted on each receipt is whether the collection was in the form of a check, money order, or cash. From June 1, 2000, through May 31, 2002, there were collections for the Program of \$85,753 and deposits of \$78,368, which resulted in at least \$7,385 in collections that were not deposited into the school district bank accounts. Records indicate that the \$7,385 was composed of cash that was removed from individual collections prior to the deposits being prepared. As stated previously, Ms. Matte was responsible for preparing the Program's deposits. Ms. Matte has admitted that she took cash from the Program for personal use. The missing funds were discovered during scheduled internal audit procedures performed by the school board's internal auditor.

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**Ms. Matte, Director of the Program, admitted that she took money from the Program for her personal use.**

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The School Board provides annual training to the directors of the Program. This training includes instructions on proper record keeping including safeguarding funds and making deposits on a daily basis. Ms. Matte attended this training each year. Although given instructions to make daily deposits, Ms. Matte stated that she kept the Program's money in her purse and did not make daily deposits.

By taking cash from the Program for personal use, Ms. Matte may have violated one or more of the following state laws:

- R.S. 14:67, "Theft"<sup>1</sup>
- R.S. 14:134, "Malfeasance in Office"<sup>2</sup>

The actual determination as to whether this individual is subject to formal charge is at the discretion of the district attorney.

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<sup>1</sup> R.S. 14:67 provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

<sup>2</sup> R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

# Recommendations

We recommend that the Calcasieu Parish School Board implement policies and procedures to ensure that all funds collected by individual schools are deposited properly and used for their intended purpose. These procedures, at a minimum, should require the following:

1. All individuals receiving funds should prepare and maintain accurate records reflecting all funds collected.
2. The Program director should provide pre-numbered receipts when funds are collected.
3. All collections should be deposited on a timely basis.
4. Collection records should be reconciled to deposit records in a timely manner.
5. Proper segregation of duties should be performed, whenever possible, so that individuals collecting funds directly from students and parents are not responsible for making their own deposits.
6. Principals should take an active oversight role in the financial operation of all school programs, to include the Extended Day Program.

Finally, we recommend that the District Attorney for the Fourteenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.



# **Attachment I**

## **Management's Response**



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September 13, 2002

Daniel G. Kyle, Legislative Auditor  
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Re: Gillis Elementary School

Dear Mr. Kyle,

Calcasieu Parish School Board management concurs with the findings and recommendations outlined in your departments audit report of Gillis Elementary School. Management is aware of its responsibility that procedures and policies are in place and followed by staff. Management is implementing additional training for both principals and bookkeepers to insure that they are knowledgeable of all extended day policies and procedures.

Sincerely,

Jude W. Theriot  
Superintendent

JWT:mtc