

POINTE COUPEE PARISH SCHOOL BOARD



---

COMPLIANCE AUDIT  
ISSUED APRIL 20, 2005

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

REPRESENTATIVE CEDRIC RICHMOND, CHAIRMAN  
SENATOR J. "TOM" SCHEDLER, VICE CHAIRMAN

SENATOR ROBERT J. BARHAM  
SENATOR WILLIE L. MOUNT  
SENATOR EDWIN R. MURRAY  
SENATOR BEN W. NEVERS, SR.  
REPRESENTATIVE RICK FARRAR  
REPRESENTATIVE HENRY W. "TANK" POWELL  
REPRESENTATIVE T. TAYLOR TOWNSEND  
REPRESENTATIVE WARREN J. TRICHE, JR.

**LEGISLATIVE AUDITOR**

STEVE J. THERIOT, CPA

**DIRECTOR OF COMPLIANCE AUDIT**

DARYL G. PURPERA, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Twenty-one copies of this public document were produced at an approximate cost of \$46.20. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at [www.la.state.la.us](http://www.la.state.la.us). When contacting the office, you may refer to Agency ID No. 2652 or Report ID No. 05300933 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.



STEVE J. THERIOT, CPA  
LEGISLATIVE AUDITOR

OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

April 20, 2005

**MR. THOMAS A. NELSON, PRESIDENT,  
AND MEMBERS OF THE BOARD  
POINTE COUPEE PARISH SCHOOL BOARD**  
New Roads, Louisiana

Dear Mr. Nelson:

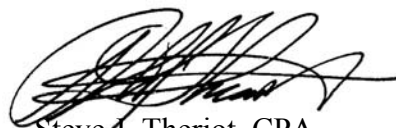
We have audited certain transactions of the Livonia High School Cafeteria (Cafeteria) in accordance with Title 24 of the Louisiana Revised Statutes. Our audit was performed to determine whether:

- (1) Livonia High School received funding from the National School Lunch Program for meals that were never served that cafeteria employees added to the daily lunch reports;
- (2) cafeteria employees are depositing all funds collected; and
- (3) cafeteria employees are properly recording who ate in the cafeteria and the price, if any, each person paid.

Our audit consisted primarily of inquiries and the examination of selected Cafeteria records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*; therefore, we are not offering an opinion on the Pointe Coupee Parish School Board's financial statements or system of internal control, nor assurance as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response. Copies of this report have been delivered to the Louisiana Department of Education, the District Attorney for the Eighteenth Judicial District of Louisiana, the United States Attorney for the Middle District of Louisiana, and others as required by state law.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

KLD:JLM:DGP:dl

	Page
Findings:	
Reimbursement for Meals That Were Not Served .....	3
Checks Deposited But Not Recorded Properly .....	4
Funds Collected But Not Recorded or Deposited .....	5
Faculty and Staff Meals Provided Without Proper Payment.....	5
Recommendations.....	7
Background and Methodology.....	9
Management’s Response .....	Appendix A



---

During September 2004, Ms. Lynda Carville, food nutrition supervisor for the Pointe Coupee Parish School Board (School Board), conducted an internal review of the food service department at Livonia High School (LHS). Upon completing her review, Ms. Carville informed Mr. Major Swindler, the school's principal, of inventory and accounting discrepancies. Ms. Carville and Mr. Swindler then requested an audit of the school's food service department. The legislative auditor reviewed certain transactions and procedures within the food service department at LHS for the period August 2003 through September 2004 revealing the following:

- LHS received \$5,723 in reimbursement from the United States Department of Agriculture's (USDA) National School Lunch Program for meals that were never served that Cafeteria employees added to the daily lunch reports.
- Checks totaling \$630 were substituted for cash that was either never received or was removed from the deposits.
- Faculty and staff were allowed to eat breakfast and/or lunch in the Cafeteria without paying.
- Town employees, who were not on official school business, were allowed to pick up to-go meals from the Cafeteria and were only required to pay \$1.75 instead of the \$3.15 visitor rate.

### **Reimbursement for Meals That Were Not Served**

The Pointe Coupee Parish School District (District) participates in the National School Lunch Program which is funded by the USDA. The program is designed to provide nutritionally balanced, low cost, or free meals to qualified students. The USDA reimburses each participating school district at varying rates for free, reduced, and full-price student meals through the Louisiana Department of Education. Schools within the District provide the School Board with the number of free, reduced, and full-price student meals served monthly. The District reports these numbers to the Louisiana Department of Education for per meal reimbursement.

Title 7 Section 210.7 of the Code of Federal Regulations requires the District to sign a contract, outlining program guidelines, with the Louisiana Department of Education. The contract requires the District to maintain a lunch counting system to ensure claims for reimbursements taken daily at the point of service correctly identify the number of free, reduced, and full-price lunches served. The District has such a system in place and has signed a contract with the Louisiana Department of Education.

During the period August 2003 through September 2004, Ms. Sue Patin, LHS cafeteria manager, and Ms. Linda Hawkins, food service technician, inflated the number of free student meals served each day. The USDA reimbursed \$2.21 and \$2.26 per free meal for the 2003/2004 and 2004/2005 school years, respectively. During the period August 2003 through September 2004, the USDA reimbursed the District at least \$5,723 because of the inflated free student meal count.

According to Ms. Hawkins, she or Ms. Patin would use the absentee report to add absent students who receive free lunch into the daily lunch totals when the Cafeteria did not serve at least 300 lunches. Ms. Hawkins stated that Ms. Patin instructed her to add students, even though

they did not eat, so none of the food technicians would be transferred to another school. Ms. Patin stated that she added, on average, 20-25 free student lunches to the totals submitted to the District each month.

Using Ms. Patin's estimate of 20-25 free student meals added per month, over the period she would have added 240-300 free meals to the reports she submitted to the School Board. However, comparing the daily line reports to the daily absentee reports indicated that 2,584 free student meals were added to the reports.

### **Checks Deposited But Not Recorded Properly**

Some teachers and students pay for their meals in advance with checks. When checks are collected, the appropriate student or teacher account should be credited (recorded) with the amount of the check. The check number and amount should also be entered on the daily deposit slip then deposited into the appropriate public account.

During the period August 2003 through September 2004, 73 checks totaling \$1,105 were received and deposited into the Cafeteria's account. Of the \$1,105 in checks received, only \$475 was credited to the appropriate accounts. The remaining \$630 was not credited to the appropriate accounts.

At the end of each day, either Ms. Patin or Ms. Hawkins would balance the funds received to the amount entered into student/teacher accounts. The daily deposit slip was then prepared. During the period, each daily deposit slip total equaled the amount of funds collected and recorded in the student/teacher accounts for that day. However, these deposits included \$630 not recorded into the appropriate student/teacher accounts. Therefore, the unrecorded checks were substituted for cash that was either never received or was removed from the deposit.

Ms. Hawkins stated that teachers and parents often complained because their account balances did not reflect advance payments. When Ms. Hawkins informed Ms. Patin of these discrepancies, Ms. Patin simply stated that she would take care of it.

Ms. Patin explained that she gave change back to students when they turned in checks for lunch and cashed checks for teachers. Ms. Patin, however, could not explain why payments were not credited to the appropriate accounts even though the checks were deposited.

Five teachers whose checks were deposited but not credited to their accounts stated that they gave their checks directly to Ms. Patin. These teachers also stated that they did not ask Ms. Patin to cash checks for them. All of these teachers assumed that the entire amount of their checks was posted to their account.

---

## Funds Collected But Not Recorded or Deposited

Louisiana Food and Nutrition Bulletin 1196 Article 729<sup>1</sup> states that it is not permissible to serve meals to people who do not have an official relationship or connection with the school. According to Ms. Carville, people other than school employees can only eat in the cafeteria if they are conducting official school business (guests). However, the LHS food service department was allowed to serve meals to adults other than guests. According to the Cafeteria employees, four to five Town employees purchased “to go boxes” at least once a week.

Ms. Hawkins stated that Ms. Patin told her that Town employees should be charged \$1.75 for lunch, but the sale should not be entered into the computer. Ms. Patin also told her that this money should be left in the cash box as “extra cash,” but Ms. Hawkins never observed any extra money in the cash box. Ms. Hawkins further stated that although instructed otherwise, she recorded Town employee meals at \$1.75 when operating the computer.

Ms. Patin first stated that she entered Town employee meals in the computer under a teacher’s account number. After further questioning, Ms. Patin stated that she entered the Town employee meals in the computer as a miscellaneous \$1.75 charge. Ms. Patin further stated that she never instructed anyone to not enter collections in the computer.

In addition to violating Bulletin 1196, Cafeteria employees only charged Town employees \$1.75 per meal instead of the Board approved guest price of \$3.15. Article 7 Section 14 of the Louisiana Constitution of 1974<sup>2</sup> prohibits the donation of public assets or things of value. Allowing individuals to purchase meals at a discounted rate may violate this provision. The Town employees confirmed that they purchased “to go boxes” from the Cafeteria at least once a week and paid \$1.75 for each meal.

## Faculty and Staff Meals Provided Without Proper Payment

Louisiana Food and Nutrition Bulletin 1196 Article 729<sup>3</sup> provides that only certain adults are eligible to purchase meals from school cafeterias and that food service employees, custodians, and certain volunteer personnel who provide food service assistance are allowed to eat free of charge. The Bulletin also recommends that schools, who serve between 301-500 daily meals, allow 2 people other than food service employees to eat free. LHS serves between 301-500 meals each day.

---

<sup>1</sup> Louisiana Food and Nutrition Bulletin 1196 Article 729(A)(1)(b) provides, in part, that serving of meals to persons having no official relationship or connection with the school is not permissible.

<sup>2</sup> LA Const. Art. 7, §14 provides, in part, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

<sup>3</sup> Louisiana Food and Nutrition Bulletin 1196 Article 729(A)(1)(a) provides, in part, that adults working with the school program, school board employees, parents, and other guests of the school are eligible to purchase meals from the school food service department. All persons except school food service employees, roving or area managers assigned to multiple sites, and certain volunteer personnel shall pay for their meals. In addition, Article 729(A)(2)(a) provides, in part, that only school food service employees are eligible to receive one free breakfast and lunch daily. Volunteers and/or custodians who provide food service assistance may receive a free meal in return for their services. When allowing volunteer meals, a school with an average daily participation of 301-500 students is recommended to receive two free volunteer meals.

---

At LHS, faculty and staff are allowed to purchase breakfast in the Cafeteria for \$1.00 and lunch for \$1.75, rates established by the School Board. Records indicate a total of seven unnamed employees ate breakfast and/or lunch in the Cafeteria on a regular basis without paying for their meals. Five of the seven were Cafeteria employees and the other two were faculty members or staff. According to Ms. Hawkins, nine additional faculty members and staff were allowed to eat breakfast and/or lunch without paying for their meals in violation of Bulletin 1196. Four of the nine additional faculty and staff members confirmed they received free meals from the Cafeteria.

Ms. Malana Bessix, guidance counselor, and Ms. Stacy Stelly, secretary, stated that neither Ms. Patin nor Ms. Hawkins required them to pay for meals when they ate in the Cafeteria. Ms. Bessix and Ms. Stelly also stated that previous cafeteria managers did not require them to pay for meals. Mr. Johnny Sparks, school resource officer, stated he received free meals in exchange for working at the football games, based on an arrangement he made with LHS 25 years ago. Principal Swindler stated he included himself as one of the janitors that could receive free meals when he helped out in the Cafeteria, believing that his actions were allowable by Bulletin 1196.

Ms. Patin stated that she did not allow any faculty or staff members other than those approved by Bulletin 1196 to eat free. Ms. Patin also stated that she would not notice if a teacher did not pay because she is busy and her back is to the lunch line.

This report has been provided to the District Attorney for the Eighteenth Judicial District of Louisiana, the United States Attorney for the Middle District of Louisiana, and others as required by law. The actual determination as to whether an individual is subject to formal charge is at the discretion of the District Attorney or the United States Attorney.<sup>4</sup>

---

<sup>4</sup> **R.S. 14:133** provides, in part, that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.

**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.

**18 U.S.C. §1001** provides, in part, that whoever knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

The School Board should develop and implement written policies and procedures to ensure that all payments are posted to the proper accounts and all funds due the Cafeteria are timely deposited to the proper public accounts. These policies and procedures should:

- (1) provide for the segregation of duties between cash collection, preparing deposit slips, preparing bank deposits, and reconciling the bank statements;
- (2) institute controls to prevent employees from adding meals that were not served to the daily lunch reports;
- (3) ensure that students, faculty, and staff are assigned unique account numbers; and
- (4) ensure that the proper amount is charged for each meal.

The School Board should also enforce its current policies and procedures and not allow individuals who do not have official school business to purchase meals from the Cafeteria. In addition, the School Board should review a list of those employees that are allowed to eat in the Cafeteria at no charge and make any necessary adjustments.

This page is intentionally blank.

The Pointe Coupee Parish School Board (School Board) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Pointe Coupee Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for concurrent terms of four years.

The Food Service Department was created by R.S. 17:82 to operate on a nonprofit basis to provide meals for school children within Pointe Coupee Parish. The food service program operates under the Louisiana Food and Nutrition Program's Policies of Operation.

In October 2004, Ms. Lynda Carville, food nutrition supervisor for the School Board, requested assistance from the legislative auditor with an investigation into inventory and accounting discrepancies within the Livonia High School food service department. This examination was performed to determine the propriety of those allegations.

The procedures performed during this examination consisted of:

- (1) interviewing employees and officials at Livonia High School;
- (2) interviewing other persons as appropriate;
- (3) examining selected documents and records of the food service department;
- (4) performing observations; and
- (5) reviewing applicable state and federal laws and regulations.

This page is intentionally blank.

## Management's Response

---





# Pointe Coupee Parish School Board

Post Office Drawer 579 • New Roads, Louisiana 70760-0579  
(225) 638-8674 • Fax (225) 638-3904



March 18, 2005

Mr. Steve J. Theriot, CPA  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

This correspondence is relative to the responses of the Pointe Coupee Parish School Board regarding the findings in the draft report from your office, as well as the meeting held in Dr. Rawls' office on March 10, 2005.

After a review of the findings at the Livonia High School Cafeteria, we are requesting the removal of the names of the personnel that were listed that had eaten free meals between the period of August 2003 through September 2004.

Thank you for your consideration of the aforementioned.

Sincerely,

Lynda Carville, Supervisor  
School Food Service Department  
Pointe Coupee Parish School Board

Daniel R. Rawls, Ph.D., Superintendent  
Pointe Coupee Parish School Board

Major Swindler, Principal  
Livonia High School

Thomas A. Nelson, President  
Pointe Coupee Parish School Board

Enclosure



# Pointe Coupee Parish School Board

Post Office Drawer 579 • New Roads, Louisiana 70760-0579  
(225) 638-8674 • Fax (225) 638-3904



## POINTE COUPEE PARISH SCHOOL BOARD RESPONSES TO FINDINGS IN LEGISLATIVE AUDITOR'S DRAFT REPORT OF MARCH 10, 2005

The required policies will be forwarded to all schools and procedures will be maintained by employees.

As suggested, a definitive guideline will be prepared to include all steps necessary for meal collection and procedures, according to policies of Operation Bulletin 1196 from the Louisiana Department of Education.

The School Food Service Department of the Pointe Coupee Parish School Board will strive to comply with local, state, and federal guidelines.

Records shall be maintained to demonstrate a positive action towards meeting the requirements. Production records shall be maintained daily for each to demonstrate a positive action towards reimbursable lunches, breakfasts, and snacks. The staff and official visitor who participates in the meal program will be charged the price set forth for visitors.

In order to safeguard against unauthorized meals, all visitors must report to the office, sign in, and wear a visitor's pass while on the school campus. Control over accountability for all funds and programs shall be maintained on the computer. Meal costs, determined and approved by the Pointe Coupee Parish School Board, will be coded in the computer. All employees will be assigned a number at the site where meals are purchased, and their information will be entered into the computer base.

In-service training programs, personnel conferences, and regular meetings, will be held periodically to review procedures and accountability.

Employees will be rotated on the computer in order to establish a check and balance standard. Security permission will allow employees to change functionality that will indicate and identify the user of the computer.

March 18, 2005

**"AN EQUAL OPPORTUNITY EMPLOYER"**