



*Town of*  
**RANDOLPH MA**

**Review of the Cash Turnover Process  
for the Randolph Public School District**

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## Project Overview

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The Town of Randolph (the “Town”) engaged CBIZ, Inc. (“CBIZ”) to perform internal audit services over the cash turnover process between the Town and the Public School District (the “School”). The objectives included (i) understanding the current turnover process, (ii) performing a gap analysis, and (iii) developing recommendations for improvement. Our internal audit procedures were performed over the period of January 12, 2025, through January 31, 2025, with a look back of activity that occurred between June and October 2024. Specific procedures included:

- Obtaining and reviewing existing written policies and procedures.
- Conducting walkthrough meetings to understand the current workflow process and identify existing controls, potential control gaps, and areas for additional training.
- Documenting the existing internal controls and observations.
- Reviewing for proper segregation of duties.

## Executive Summary

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The School follows a 1 to 1 technology policy, meaning every child gets their own digital (educational) device and their own personalized instruction. For the 2024 (fiscal year 25) school year, fees for the digital devices (“Tech fee”) were to be collected from each family either via cash or bank check (no personal checks were to be accepted). Families were notified and these collections were made in October 2024.

On October 23, 2024, two School finance representatives brought a backpack containing approximately \$80,000 in cash and checks (henceforth “cash”) to the Town’s Treasurer/Collectors office. The amount of cash presented was in violation of the Town’s turnover policy which states that Departments are to prepare a turnover and deliver it to the Treasure/Collector’s office at least weekly or when total cash & checks exceed \$1,000 or cash alone exceeds \$100.

The Town and School are commencing communication efforts to address aspects of this report.

## Executive Summary - continued

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Per our review, we noted the following as root causes for the event described above. These are significant process weaknesses that if left unattended, can either lead to future cash handling concerns or potential errors/ fraud:

- **Unplanned cash delivery** – The School did not take action to alert the Town of:
  - The likelihood of a large sums of cash being collected
  - The planned delivery of the approximate \$80,000 that had been collected
  - Consideration for involving the Town’s police to aid in the delivery of the large sum of cash
- **No consideration of electronic payment options** – The Tech fee is a reoccurring annual fee that all families are required to pay. The inability of these fees to be paid online.

## Executive Summary - continued

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In addition, we noted the following issues associated with the collection and delivery of cash to the Town:

- **Lack of fee/collections transparency** – There is lack of transparency on the part of the School to the Town of who cash is collected from, how cash is handled, what different fees are or may be collected.
- **Lack of physical safety and security** – The Town's Treasury Office collects cash daily. The office is a public space, but the location is not equipped with video cameras or panic buttons to alert the Police in the event of an emergency.

It is also noted that within a few days of the cash turnover, the Town's Treasurer/Collector contacted the School to have the individual schools bring future funds and turnovers directly to the Treasurer/Collector's office to eliminate the unnecessary movement of monies within the school system. There has been no acknowledgment of this being accepted for future cash events.

Our report addresses these issues over the following pages. **Appendix A** provides a list of those employees interviewed and **Appendix B** provide insight into the risk rating methods applied to each issue which follows.

# Findings & Recommendations

## Unplanned Cash Delivery – Risk Rating High

### Issue:

The Town has a policy in place over cash and equivalents turnover and the policy is shared with the School. The Town Treasurer/Collector sends out reminders of the turnover over policy. This policy has set requirements around the frequency and amount of cash, and equivalents, that can be turned over to the Town. The Town was unaware that a large sum of cash was being collected by the School which was subsequently turned over for deposit. The amount of cash turned over to the Town violated the dollar thresholds and frequency of deposits set by the policy and was delivered in an unsecured backpack. The police department was not contacted to evaluate options for this type of large-sum cash delivery.

### Risk:

A lack of communication regarding expected policy violations increases the risk of loss, theft or fraud regarding cash handling and transfer. In addition, utilizing unsecured cash transmittal methods also increases these risks.

### Recommendation:

The School should communicate with the Town when the School has a large sum of cash to be delivered. The Town currently coordinates with the Police Department to protect cash movements to the bank and the School should work to determine if this could also be done between the School and the Town offices. Other common practices for cash movement between locations call for locked transport bags or sealed bank security bags. The senders courier would not have keys to the transport bags; only a designated persons would would have keys. . Finally, a periodic meeting with the Treasury Office and the School finance personnel would ensure open channels of communication where future cash events may be discussed and coordinated.

# Findings & Recommendations - continued

## Lack of Access to Electronic Payment Options – Risk Rating High

### Issue:

The Town and School did not have an electronic payment option in place for the technology fee. On July 1, 2024, the School notified parents and families of the \$50 technology fee that cash or bank check would be needed to cover this fee. The collections took place in October 2024. Consideration of the amount of cash that would likely be collected and that the collection event would violate the cash handling policy did not result in two-way communication between the School and Town.

### Risk:

Not considering options or planning for known events can lead to policy violations, process inefficiencies and increase, in the case of cash transfer, opportunities for loss, theft or fraud.

### Recommendation:

The school should meet with the Treasurer/Collector to discuss online payment options. The Town and School should work together to reach a conclusion on what online payment option to use and how to track remittance of what families have provided the payment.

# Findings & Recommendations - continued

## Lack of Fee/Collections Transparency – Risk Rating High

### Issue:

The Town reported that it was unaware of the methods the School was going to use for the technology fee cash collection, including the means of reconciliation of families to payments received. In addition, the School does not currently have a cash collection policy, or associated procedures, in place to address cash collection and handling (including safeguarding of cash on School premises).

### Risk:

A lack of transparency into the cash collection processes between the Town and School can lead to confusion and inefficiencies, uncertainty as to accuracy, and is susceptible to fraud.

### Recommendation:

The School should move to standardize and document a fee/cash collection policy and procedures that includes how they safeguard the cash. The School should create a list of employees that are authorized to collect and handle cash at each of the schools. These policies and procedures would be provided to the Town for review and discussion to arrive at consensus. To confirm understanding of the policy the Town should have all applicable employees sign an attestation indicating they have read the policies and procedures and understand their responsibilities. Additionally, the School should provide fee collection breakdowns/reconciliations to the Town for transparency. When cash is turned over, the School should provide a copy of the turnover sheet that demonstrates the sources of the funds and accuracy.

# Findings & Recommendations - continued

## **Lack of Physical Safety and Security at Town Building where Cash is Received – Risk Rating High**

### Issue:

Randolph Town Hall lacks baseline safety and security controls/considerations. For example, the Treasury Office, which is a public space handling cash at times, does not have cameras or a panic button.

### Risk:

Without proper security, employees concerns over safety are escalated and in the event of an incident or robbery, actions taken to remediate may be delayed or hampered.

### Recommendation:

The Town should consider the following physical security enhancements: Install CCTV cameras in key areas to monitor and record activities; Implement alarm systems that alert authorities in case of unauthorized access or emergencies; and Control access to the building with locked doors, security personnel, and visitor logs. In addition to physical security enhancements, the Town should consider the following employee training and policies; Control access to the building with locked doors, security personnel, and visitor logs; and establish and enforce clear policies regarding cash handling and security procedures.

## Appendix A – Department Interviews

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Name	Title
Janine Smith	Director of Finance/Town Accountant
Ellie Perez-Baczkowski	Town Treasurer/Collector
Chloe Madden	Town Assistant Treasurer/Collector
Annya Haughton	School Finance Director
Dr. Thea Stovell	Superintendent
Anthony Marag	Police Chief

## Appendix B: Risk Rating Chart

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Risk Level	Risk Rating
<b>High</b>	<p>Issue represents a control weakness which could have, or is having, a significant adverse effect on the ability to achieve process objectives.</p> <p>Requires prompt management action.</p>
<b>Moderate</b>	<p>Issue represents a control weakness which could have, or is having, an adverse effect on the ability to achieve process objectives.</p> <p>Requires short-term management action.</p>
<b>Low</b>	<p>Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.</p> <p>Requires management action within a reasonable and defined time-period.</p>



Thank You