



Follow-up Review Report



Custodial Services – Payroll, Timekeeping and Personnel Related Issues



Plant Operations has, in general, improved its payroll recordkeeping and documentation practices, but some recommendations not fully implemented require further follow-up.

December 2008

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Mr. Alberto M. Carvalho
Superintendent of Schools

Mr. Allen M. Vann, CPA
Chief Auditor
Office of Management and Compliance Audits

Contributors to this Report:

Review Performed by:
Ms. Oria M. Duarte, CPA

Reviewed by:
Mr. Lander Carn, CPA
Mr. Trevor L. Williams, CPA

Review Supervised by:
Mr. Trevor L. Williams, CPA

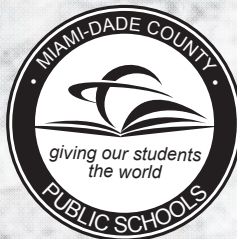
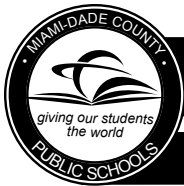


TABLE OF CONTENTS

	Page Number
EXECUTIVE SUMMARY AND CONCLUSIONS	1
OBJECTIVES, SCOPE AND METHODOLOGY	3
BACKGROUND	4
CURRENT STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS.....	5



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November 21, 2008

Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

In accordance with School Board Rule 6Gx13-2C-1.14, Section IV.B.3 and the approved Audit Plan for FY 2008-09, we have reviewed the actions taken by management to implement the recommendations included in our prior internal audit report, Custodial Services – Payroll, Timekeeping and Personnel Related Issues, published December 11, 2007. This report was the second and final report evaluating custodial services at Miami-Dade County Public Schools (M-DCPS). The objective of the audit was to determine the effectiveness of operational management practices relative to payroll and personnel related functions at the Department of Plant Operations.

EXECUTIVE SUMMARY AND CONCLUSIONS

In our prior audit report we concluded that Plant Operations:

1. Had poor payroll recordkeeping and documentation practices;
2. Needed to ensure Head Custodians meet the minimum qualifications for their positions;
3. School site administrators needed to refrain from using custodial service funds to purchase non-custodial services and materials.

We made seven (7) recommendations to improve conditions noted. Management was in general agreement with our recommendations and provided responses indicating the findings would be addressed. Of the seven (7) recommendations, five (5) were fully implemented and two (2) were not implemented.

Our follow-up review disclosed that Plant Operations has, in general, improved its payroll recordkeeping and documentation practices. The department now processes and approves its own payroll. The official Daily Payroll Attendance Sheet is being used to record employees' attendance, as required by District payroll procedures. Overtime (with the exception of emergencies) is being pre-approved and properly documented.

However, the Travelers Location Log (FM5543), which is required to document the attendance of employees working at remote sites, is not being used. Our review found that Plant Operations began using the form during the most current two-week pay period completed just prior to us commencing our field work. Non-compliance with the District's payroll procedures relative to maintaining the Travelers Location Log continues to exist at Plant Operations. Consequently, the related weaknesses in internal controls also remain.

The review also disclosed that procedures to ensure all Head Custodians hold the required coursework/certification are not in place. Our examination of the credentials of 39 Head Custodians hired and/or promoted into that position since our prior audit, found one case of a Head Custodian not completing the required classes for his position. Documentation of the employee completing the required coursework could not be found anywhere.

Internal controls are now in place to prevent school Principals and other school-site administrators from using the Custodial Supplies Account for unrelated purchases. Our review of charges to the Custodial Supplies Account found no charges for non-custodial related items.

The managements of Plant Operations and School Operations have taken appropriate actions for satisfactorily addressing our past recommendations. However, we will further monitor their actions to ensure that the remaining recommendations are fully implemented. We thank management for the courtesies extended to our auditors during this follow-up review.

Sincerely,

A handwritten signature in black ink, reading "Allen Vann". The signature is fluid and cursive, with the first name "Allen" and last name "Vann" clearly distinguishable.

Allen M. Vann, CPA, Chief Auditor

OBJECTIVES, SCOPE AND METHODOLOGY

The objective of this follow-up review was to determine the progress and extent of the implementation of management's plans of action addressing the seven (7) recommendations in our original audit report. The review covered actions by the administration subsequent to the issuance of our original audit report.

We performed the following procedures to satisfy our objective:

- Interviewed District staff
- Reviewed operating policies and procedures
- Examined payroll records and supporting documentation
- Analyzed general ledger postings
- Reviewed Head Custodians coursework and certifications
- Performed various other procedures deemed necessary

This performance audit follow-up review is not an audit, but is intended to provide a current status on prior audit findings and recommendations. However, we believe that the evidence obtained and reviewed provides a reasonable basis for our conclusions on the status of prior audit findings and recommendations. This follow-up review did not include and assessment of internal controls.

BACKGROUND

M-DCPS employs approximately 2,500 full-time and 400 part-time custodians that contribute to the sanitation, health and safety at the District's facilities.

There are four levels of job classifications and responsibilities for custodial staff:

1. Regular Custodian – performs the routine custodial work involving cleaning and maintenance of buildings, facilities, equipment and grounds.
2. Lead Custodian – performs same tasks as the regular custodian plus minor supervisory responsibilities.
3. Head Custodian – performs same tasks as the regular custodian plus supervises, plans, assigns and schedules the work of custodial personnel.
4. Master Custodian – conducts specialized custodial work and provides technical advice and support to administrative and custodial personnel.

Custodians assigned to school or District sites are directly supervised by the Principal or administrator of the site. The Department of Plant Operations (Plant Operations) supports site administrators by providing custodial staffing allocation reviews and recommendations, hiring, training and certifying custodians.

Plant Operations is a department of District Inspections, Operations and Emergency Management. The department consists of 28 staff positions, including four administrative support staff.

Follow-up Custodial Services – Payroll, Timekeeping, and Personnel Related Issues			
Audit Committee Meeting Presented – December 11, 2007			
Audit Findings	Recommendations	Corrective Action By Management	Auditors' Comment
1. Improvements Needed In Payroll Recordkeeping And Documentation	1.1 Plant Operations should approve its own payroll.	Plant Operations now processes and approves its own payroll.	Fully Implemented
	1.2 All employees should be required to indicate their presence on the Daily Payroll Attendance Sheet.	All Plant Operations personnel have been directed to follow M-DCPS Daily Payroll Attendance sheet sign-in procedures.	Fully Implemented
	1.3 All overtime should be authorized, pre-approved and properly documented in a non-redundant manner.	<p>The amount of overtime performed has been greatly reduced due to proactive steps that have been taken to increase awareness of health department concerns. Fewer serious violations have directly contributed to less overtime work to assist school sites.</p> <p>Overtime and compensatory time is pre-approved, with the exception of emergencies.</p>	Fully Implemented

Follow-up Custodial Services – Payroll, Timekeeping, and Personnel Related Issues			
Audit Committee Meeting Presented – December 11, 2007			
Audit Findings	Recommendations	Corrective Action By Management	Auditors' Comment
	1.4 Comply with District's payroll procedures and properly maintain complete employee call-in information, using the official Travelers Location Log (Form FM-5543).	<p>All Plant Operations personnel have been instructed to call in whenever they arrive at a new work location. Master custodians have been specifically instructed to contact their supervisor prior to changing from work locations.</p> <p>All call takers have been instructed to document personnel movement using the Travelers Location Log (Form FM-5543).</p>	Not Implemented Plant Operations is not maintaining complete employee call-in information using the official Travelers Location Log (FM5543). In fact, FM5543 was only used for during the last payroll completed just prior to the commencement of our fieldwork, and has not been used during the payroll periods completed subsequent to the completion of our fieldwork.
2. Ensure Head Custodians Meet Minimum Required Qualifications.	2.1 Ensure that the Head Custodians meet the minimum required qualifications for the position.	Response from Division of Non-Instructional Staffing: Upon completion of required coursework/certification Plant Operations forwards employees that meet requirements to NIS/Professional Development (SDES) and Compensation Administration to update and maintain employee records.	Not Implemented Documentation of successful completion of the required Custodial Leadership Class was not presented for one of the 39 Head Custodians filling the vacancy in the position since our last audit.

Follow-up Custodial Services – Payroll, Timekeeping, and Personnel Related Issues			
Audit Committee Meeting Presented – December 11, 2007			
Audit Findings	Recommendations	Corrective Action By Management	Auditors' Comment
	2.2 Develop a process to ensure that job codes are reviewed between transitions to/from positions to detect inconsistencies.	Response from Division of Non-Instructional Staffing [NIS]: For purposes of Interim/Acting NIS verifies qualifications for the positions & verifies type of appointment being requested. In-turn the transaction is initiated and approved by NIS; then routed to Compensation Admin[istration]. For coding/auditing purposes for time frame and compensation, NIS works with other related departments to return & restore employees on interim/acting assignments to previous positions.	Fully Implemented
3. Ensure Proper Accounting Of Custodial Supplies and Equipment	3.1 New internal controls should be designed and implemented to ensure that Principals and other site administrators refrain from using the Custodial Supplies Account for unrelated purchases.	Response from School Operations: Starting in the 2008-09 school year, custodial supplies are no longer part of the schools' 02 (discretionary) budgets, they are now part of their 03 (program) budgets. Funds budgeted for custodial supplies can now only be spent on custodial-related items. This information has been disseminated to principals and will be reviewed via web cast in the 2008-09 school year.	Fully Implemented

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA), as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.

INTERNAL AUDIT REPORT



MIAMI-DADE COUNTY PUBLIC SCHOOLS
Office of Management and Compliance Audits
1450 N. E. 2nd Avenue, Room 415
Miami, Florida 33132
Tel: (305) 995-1318 ♦ Fax: (305) 995-1331
<http://mca.dadeschools.net>