

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**

***Internal Audit Report  
Selected Schools/Centers***



*At 44 Of 46 Schools/Centers, The Financial  
Statements Were Fairly Stated.*

At 11 Schools/Centers, Controls Over The  
Bookkeeping And Disbursement Functions,  
School-Sponsored And Fundraising  
Activities Including The Yearbook, Principal-  
Operated After School Care And Enrichment  
(Fee-Supported) Prekindergarten Programs,  
Payroll Sign-In Procedures, And FTE  
Records And Procedures Need  
Improvement. At Two Of These 11  
Schools/Centers, We Discovered A  
Misappropriation Of Funds.

*Property Inventory Results Were  
Satisfactory For All Schools/Centers  
Reported Herein.*

**December 2015**

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

Ms. Perla Tabares Hantman, Chair  
Dr. Lawrence S. Feldman, Vice Chair  
Dr. Dorothy Bendross-Mindingall  
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Superintendent of Schools

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# Miami-Dade County Public Schools

*giving our students the world*

## **Superintendent of Schools**

**Alberto M. Carvalho**

## **Chief Auditor**

**Jose F. Montes de Oca, CPA**

## **Miami-Dade County School Board**

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**Raquel A. Regalado**

**Dr. Marta Pérez Wurtz**

November 16, 2015

The Honorable Chair and Members of The School Board of Miami-Dade County, Florida  
Members of The School Board Audit and Budget Advisory Committee  
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

This report includes the audit results of 46 schools/centers currently reporting to the North Region, South Region and Central Region Offices within School Operations. The audit period for 37 of the 46 schools/centers is a two-fiscal year audit period ended June 30, 2015, while the audit period for eight schools/centers is a one-fiscal year audit period ended June 30, 2015. The audit period for North Miami Senior was three fiscal years ended June 30, 2015, due to our extensive review of records necessitated by recurrent non-compliant issues directly related to the internal funds of the school/center. At 16 of these schools/centers, there was a change of Principal since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets are properly safeguarded. The audits included a review of internal funds at all the schools/centers. On a selected basis, we reviewed payroll, credit card purchases, Title I Program expenditures and procedures, Full-Time-Equivalent (FTE) reporting and student records, and selected aspects of data security. The audits also included the results of property inventories.

Our audits disclosed that the financial statements of most of the schools/centers reported herein were fairly stated. At 35 of the 46 schools/centers, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for all schools/centers reported herein were satisfactory.

At 11 schools/centers, we cited deficiencies related to the supervision of the bookkeeping of the funds and the disbursement function; the oversight of school-sponsored and fundraising activities including the Yearbook activity; the management of the Principal-Operated After School Care and Enrichment (Fee-Supported) Prekindergarten programs; as well as aspects of non-compliance with payroll sign-in procedures, and FTE records and procedures. At two of these schools/centers, North Miami Senior and Miami Palmetto Senior, we discovered misappropriation of funds and identified the former school treasurers as the parties responsible for these incidents of misappropriation. Both cases were referred to M-DCPS Police and to the State Attorney's Office for consideration of criminal charges. At present, the former Treasurer from North Miami Senior was arrested and charged with Grand Theft in the Second Degree. She is out on bond pending further court proceedings. Regarding the former Treasurer from Miami Palmetto Senior, the State Attorney determined that this case should be handled administratively by the District's administration. Both employees responsible for these frauds resigned subsequent to the frauds' discovery.

We discussed the audit findings with school, region and district administrations, and their responses are included in this report. In closing, we would like to thank the schools/centers' staff and administration for the cooperation and consideration provided to the audit staff during the performance of these audits.

Sincerely,

  
Jose F. Montes de Oca, CPA  
Chief Auditor

Office of Management and Compliance Audits

JFM:mtg

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## EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 46 schools/centers. These include six schools/centers that report to the North Region Office, six that report to the South Region Office and 34 that report to the Central Region Office. This group includes the Primary Learning Center and the iPreparatory Academy, two locations that recently merged to become a PK-12 center effective for the 2015-2016 school year. In this report, their corresponding audit results are reported separately since they maintained separate records as of June 30, 2015.

The 46 schools/centers comprise the audit results of 37 schools/centers with a two-fiscal year audit period ended June 30, 2015 and eight schools/centers with a one-fiscal year audit period ended June 30, 2015. It also includes the audit of North Miami Senior which, due to an extensive review of records (necessitated by recurrent non-compliant issues detected during this audit which directly associated with the internal funds of the school, and which ultimately culminated with a discovery of fraud), covered a three fiscal year audit period ended June 30, 2015. At 16 of these schools/centers, there was a change of Principal since the prior audit.

The audits disclosed that 35 of the 46 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The 11 schools/centers with audit findings and the affected areas are as follows:

School/Center	Region	Total	Area of Finding									
			Misappropriation of Funds	Book-keeping/Transfers	Receipts/Deposits	Disbursements	Year-book	Fund-raising	ASC Prog.	Pre-K Prog.	Pay-roll	FTE
North Miami Senior	North	4	1	1	1			1				
Miami Palmetto Sr.	South	3	1	1	1							
Cutler Bay Middle	South	1										1
Leisure City K-8 Ctr.	South	2									1	1
Miami Senior	Central	1										1
Ronald W. Reagan/Doral Sr.	Central	1					1					
Citrus Grove Middle	Central	1										1
Kinloch Park Middle	Central	1										1
Citrus Grove El.	Central	1			1							
Melrose Elementary	Central	1				1						
Miami Shores El.	Central	2							1	1		
Totals		18	2	2	3	1	1	1	1	1	1	5

Regarding these 11 schools/centers combined, we cited deficiencies related to the supervision of the bookkeeping of the funds and the disbursement function; oversight of school-sponsored and fundraising activities including the Yearbook activity; the management of the Principal-Operated After School Care and Enrichment (Fee-Supported) Prekindergarten programs; as well as non-compliance with payroll sign-in procedures, and FTE records and procedures. At two of these schools/centers, North

Miami Senior and Miami Palmetto Senior, we discovered a misappropriation of funds and identified the former school treasurers as the parties responsible for the misappropriation of funds. Both cases were referred to M-DCPS Police and to the State Attorney's Office for consideration of criminal charges. At present, the former Treasurer from North Miami Senior has been criminally charged and the case is pending further court proceedings. Regarding Miami Palmetto Senior, the State Attorney reviewed the case and determined it should be handled administratively by the District's administration. Both employees involved in the fraudulent schemes have resigned from the school system subsequent to the discovery of the frauds.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 24-27. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 36-111); and in the Appendix section in memorandum format (Pages 120-161).

*Notwithstanding the conditions and findings reported herein, at 44 of the 46 schools/centers reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2012-2013, 2013-2014 and/or 2014-2015 fiscal year(s), on the cash basis of accounting, depending on the school audited.*

*At North Miami Senior High School, due to the conditions cited in the report, which include the misappropriation of funds during the 2013-2014 and 2014-2015 fiscal years, as disclosed in the findings of the individual school audit report and in pages 36-53 of this report, the financial statements of the internal funds of the school/center do not fairly present the results of its operations, on the cash basis of accounting. At Miami Shores Elementary, except for the activity in the Community School Fund corresponding to the 2013-2014 and 2014-2015 fiscal years, as disclosed in the findings of the individual school audit report and in pages 102-111 of this report, the control structure was otherwise functioning as designed by the school administration.*

*As of June 30, 2013, for one of the 46 schools/centers reported herein, total receipts and disbursements amounted to \$495,454.22 and \$480,542.78, respectively; while total cash and investments amounted to \$149,866.56 (Page 10). As of June 30, 2014, for 38 of the 46 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,553,532.87 and \$6,617,090.76, respectively; while total combined cash and investments amounted to \$1,820,273.96 (Pages 11-13). As of June 30, 2015, for all 46 schools/centers reported herein, total combined receipts and disbursements amounted to \$7,551,723.10 and \$7,620,980.54, respectively; while total combined cash and investments amounted to \$1,884,739.52 (Pages 14-18).*

*Notwithstanding the conditions and findings reported herein, as of June 30, 2015, the internal control structure at 43 of 46 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. At North Miami Senior and Miami Palmetto Senior, as disclosed in the findings of the individual school audit report, the internal control structure at these two schools/centers was not generally functioning as*



*designed by the school administration. At Miami Shores Elementary, except for the activity in the Community School Fund, as disclosed in the individual findings of the school audit report, the internal control structure was otherwise functioning as designed by the school administration.*

*When conditions came to our attention that were deemed non-reportable, because they were immaterial or inconsequential, they were, nevertheless, discussed with management for their information and follow-up.*

## **INTERNAL FUNDS**

Internal funds records and procedures were reviewed at all 46 schools. Of this total, 40 schools were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following six schools, we found the following:

- At North Miami Senior, we discovered that the former Treasurer misappropriated close to \$79,900 cash collected between October 2013 and March 2015. This included a check-for-cash substitution scheme where the former Treasurer substituted receipted cash collections with third-party checks not otherwise receipted by the school. It also included cash collections that faculty/staff turned over to the former Treasurer; however, the collections could not be traced to a bank deposit. We also identified expenditures corresponding to some of the affected accounts that the former Treasurer diverted to other accounts with available balances to prevent discovery. Nevertheless, the Band Activity account and the General Fund closed the 2014-2015 year with deficit balances. During the audit, we interviewed the former Treasurer regarding the discrepancies and she gave us a brief confession in writing. This matter was referred to the Miami-Dade Schools Police Department and to the State Attorney's Office for consideration of criminal charges. As of the date of publication of this report, the former Treasurer has been arrested and charged with Grand Theft in the Second Degree. She is out on bond pending further court proceedings. In addition to the misappropriation of funds, we found many instances where the former Treasurer withheld the deposit of funds for extended periods of time, deposit records were incomplete, as well as other bookkeeping discrepancies, which included discrepancies related to an account handled at the school on behalf of a districtwide program. The school has been the fiscal repository for the Health Occupational Student of America (HOSA) district-wide program. Participating Senior High Schools forward funds to the school to cover dues, registration fees, the cost of club shirts, breakfast and award ceremonies that occur in the fall and spring. The District's Department of Career and Technical Education provides curriculum support for this program and has designated a Health Science Instructional Supervisor to oversee the activity district-wide; however, the former Instructional Supervisor was not monitoring the collection and disbursement of HOSA funds on a periodic basis; and we deemed that fees charged to the students were excessive. We also identified shortages in some of the fundraising activities held at the school; however, based on the records, we could not determine the party responsible for the shortage. Some of these deficiencies were cited in previous audit reports under a former school administration; however, they continued to recur during this audit. A

new Principal was appointed to this school toward the end of the 2014-2015 fiscal year and a new Treasurer has been hired. In addition to the responses from the Principal, the North Region Office and School Operations (addressing the recommendations in the report), we have obtained responses from the district offices regarding the districtwide HOSA account to improve controls over the handling of these funds (Pages 36-53).

- At Miami Palmetto Senior, South Region Office administration and the former Principal contacted our office to request an audit of the school because of a number of deposits that were found in the school's vault pending posting and deposit. Our review not only disclosed a number of discrepancies regarding the handling of the internal funds of the school (which included, among others, a bookkeeping function that was not up-to-date, records that were incomplete, adjusting entries that were questionable and deposits that were not made in a timely manner); but we also uncovered a misappropriation of funds. During the audit visit, the former Treasurer attempted to use \$460 yearbook collections to cover a shortfall in monies supposedly refunded to students that the auditor had questioned during the audit and gave a brief confession. Other cash shortages attributed to the former Treasurer included approximately \$500 from student refunds and United Way collections that were turned in for deposit but could not be traced to the checking account. Some of these issues were the result that faculty/staff/students were not being issued receipts when turning collections over to the former Treasurer for deposit. This matter was referred to the Miami-Dade Schools Police Department and to the State Attorney's Office for their consideration and advice; however, the State Attorney's Office determined not to pursue the matter criminally. At present, the former Treasurer has resigned. To further compound these issues, during the month of October 2014 (under the former Treasurer), the school's checking account security was compromised, as several fraudulent checks had cleared the bank. The school opened a new operational checking account and transferred part of the compromised checking account's balance into the new account; however, the closing of the account was not done appropriately, since it was left with a large available balance for several months, which could have been further compromised. Ultimately, the account was finally closed and the bank credited all but one of the fraudulent checks. We were unable to determine the culprit(s) for this fraudulent activity. A new Principal was appointed after the closing of the 2014-2015 fiscal year, and the school is in the process of hiring a Treasurer (Pages 54-66).
- At Ronald W. Reagan Senior, for both fiscal years, the school had large leftover inventories of unsold yearbooks; however, for this school year, the school had signed a contract to purchase the same number of yearbooks. The order was decreased at our request. Regarding reports for this activity, we noted that the Yearbook Monthly Operating Reports and Distribution Reports disclosed errors. The school participated in the sale of on-line yearbooks using the vendor's website; however, on-line sales reports for both fiscal years were not on file and were obtained at our request. During both fiscal years, the average sales price of the yearbook exceeded the cost of the yearbook. Regarding vendor payments, several

invoice charges could not be traced to the yearbook bid or to the bid's addenda; and some of the quantities and charges listed in the invoice did not agree with those listed in the bids. A new yearbook sponsor has been appointed for the 2015-2016 school year (Pages 82-85).

- At Citrus Grove Elementary, we found instances where monies were not deposited in a timely manner, the Collections/Deposits Log was not properly maintained; field trip collections held overnight were not recorded in the Collections/Deposits Log and were not placed in the school's safe area; official receipts were not always issued to parents/guardians at the time that collections were received; and official teacher's receipts were not always issued for individual student collections of \$15 or more. Some of these issues were discussed with the school administration in a previous audit (Pages 94-97).
- At Melrose Elementary, the school purchased several gift cards to be used at various high-end restaurants, retailers, a coffeehouse chain store, and a supermarket chain store, some of which did not mainly offer educational materials and supplies. The school did not have a complimentary signed list of the recipients of the cards; therefore we could not verify their distribution. According to the school administration, the gift cards were given to staff members as incentives. In addition, we found a few other discrepancies related to expenditures posted to an account that were not allowed according to the particular account guidelines, and incomplete supporting documentation for one of these expenditures (Pages 98-101).
- At Miami Shores Elementary, a review of the records and activities of the After School Care (ASC) Program disclosed that records were disorganized, incomplete, and contained errors for both fiscal years; and the school did not always submit monthly attendance reports to the child care agency that subsidized a portion of the participants' fees. Consequently, opportunities for reimbursements were missed. Our ASC revenue projections for the 2014-2015 fiscal year disclosed a shortfall in the revenues collected. In addition, the fees generated by the program were not sufficient to cover the program's hourly payroll, which we considered excessive. As of June 30, 2015, this Principal-operated program, as reflected in the district's budgetary accounts, closed the year with a substantial deficit balance. Regarding the Fee-Paying Pre-Kindergarten (Pre-K) Program, we similarly found that student registration cards were missing, incomplete or contained errors. Our Pre-K revenue projections disclosed shortfalls in the revenues collected for services rendered. For both ASC and Pre-K programs, we performed an extensive review of the records. Based on our review of the student registration cards and inquiries with school staff and administration, it appears that the shortfalls resulted from inadequate controls over these programs and staff not enforcing the payment schedule, since nothing came to our attention to indicate that the shortfalls were due to misappropriation of funds (Pages 102-111).

## PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 53 schools/centers. This total includes the property results of all 46 schools/centers in this report; and seven schools/centers whose inventory results were pending publication since the previous audit report issued earlier this fiscal year.

At 53 schools/centers, Property Audits staff inventoried a total of 12,527 equipment items with a total approximate cost of \$32 million. All inventories proved satisfactory (refer to Property Schedules on Pages 32-34).

Property inventories also include the review of property losses reported by the schools/centers through the Plant Security Report process. Our analysis of Plant Security Report losses disclosed that eight items with a total depreciated value of \$753 and a total acquisition cost of \$9,713 were reported missing at four of the 53 schools/centers (Page 35). Items in question included computers, a drill press and a printer.

## PAYROLL

We reviewed current payroll records and procedures at the following 22 schools/centers:

School/Center	Region	School/Center	Region
Biscayne Elementary <sup>1</sup>	North	Miami Palmetto Senior <sup>1</sup>	South
Golden Glades Elementary <sup>1</sup>	North	Melrose Elementary	Central
Gratigny Elementary <sup>1</sup>	North	Miami Park Elementary <sup>1</sup>	Central
Miami Gardens Elementary <sup>1</sup>	North	Orchard Villa Elementary <sup>1</sup>	Central
Miami Lakes K-8 Center <sup>1</sup>	North	Seminole Elementary <sup>1</sup>	Central
North Miami Senior <sup>1</sup>	North	E.W.F. Stirrup Elementary	Central
Florida City Elementary <sup>1</sup>	South	Morningside K-8 Academy <sup>1</sup>	Central
Pine Villa Elementary	South	Eugenia B. Thomas K-8 Center <sup>1</sup>	Central
Leisure City K-8 Center <sup>1</sup>	South	International Studies Preparatory Academy	Central
Mandarin Lakes K-8 Center <sup>1</sup>	South	Ronald W. Reagan/Doral Senior	Central
Cutler Bay Middle <sup>1</sup>	South	Young Women's Preparatory Academy Sr.	Central

At 21 of the 22 schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

- At Leisure City K-8 Center, we found discrepancies with the recording/reporting of time and attendance. Overall issues included daily and hourly employees not noting

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<sup>1</sup> Change of Principal since prior audit at this school/center (16 schools/centers).

their attendance on the Daily Payroll Attendance Sheets and hourly employees signing in/out ahead of their schedule (Pages 73-74).

## **PURCHASING CREDIT CARD (P-CARD) PROGRAM**

We reviewed the P-Card Program's procedures and records at the following 12 schools/centers:

School/Center	Region	School/Center	Region
North Miami Senior	North	Eugenia B. Thomas K-8 Center	Central
Miami Palmetto Senior	South	Citrus Grove Middle	Central
Lakeview Elementary	Central	Ponce de Leon Middle	Central
Santa Clara Elementary	Central	Miami Springs Senior	Central
Edison Park K-8 Center	Central	New World School Of The Arts Sr.	Central
Morningside K-8 Academy	Central	Ronald W. Reagan/Doral Senior	Central

Our review disclosed that all 12 schools/centers listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

## **FULL-TIME-EQUIVALENT (FTE) FUNDING**

The following 12 schools/centers were selected for these audits:

School/Center	Region Office	Survey Period (SP)	FTE Funding
Leisure City K-8 Center	South	2014-2015 SP 3	\$ 2,300,473
Cutler Bay Middle School	South	2014-2015 SP 3	2,693,904
Auburndale Elementary	Central	2014-2015 SP 3	2,231,473
Citrus Grove Elementary	Central	2014-2015 SP 3	2,059,239
Comstock Elementary	Central	2014-2015 SP 3	1,311,267
Santa Clara Elementary	Central	2014-2015 SP 3	1,452,246
E.W.F. Stirrup Elementary	Central	2014-2015 SP 3	2,267,039
Coral Way K-8 Center	Central	2014-2015 SP 3	3,692,964
Citrus Grove Middle	Central	2014-2015 SP 3	2,435,811
Kinloch Park Middle	Central	2014-2015 SP 3	2,850,032
Miami Senior	Central	2014-2015 SP 3	7,142,413
Ronald W. Reagan/Doral Senior	Central	2014-2015 SP 3	5,299,017
<b>Total FTE Funding</b>			<b>\$ 35,735,878</b>

The total FTE funding amounted to approximately \$35.7 million for the 12 schools/centers combined. FTE records reviewed corresponded to the 2014-2015 fiscal year Survey Period 3 (February 2015). Our FTE reviews disclosed that seven of the 12 schools/centers were generally compliant with District policy.

- At Cutler Bay Middle, Leisure City K-8 Center, Miami Senior, Citrus Grove Middle and Kinloch Park Middle we identified non-compliance with FTE reporting and documentation procedures related to the English for Speakers of Other Languages (ESOL) Program. Mainly, we found documentation that was incomplete or dated after the survey period; as well as documentation that was not evident in the files.

Furthermore, at Cutler Bay Middle and Citrus Grove Middle, SPED records were incomplete for some students reported at funding level 254.

Regarding teacher certification, at Cutler Bay Middle, we found that the *Agreement for Teachers Accepting Out-Of-Field Waiver Assignments* for several teachers was not on file at the school; and we could not locate the School Board approval to teach out-of-field (Pages 67-72, 75-77, 78-81, 86-89 and 90-93, respectively).

## TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures was conducted at the following school/center:

School/Center	Region Office	Audit Period	Total Expenditures
North Miami Senior	North	2013-2014	\$ 1,545,422
		2014-2015	1,204,165
Total Title I Program Expenditures			\$ 2,749,587

Aggregate expenditures incurred under various Title I programs for both fiscal years amounted to approximately \$2.7 million. Results of our audit disclosed that North Miami Senior was generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Any discrepancies were discussed with the new school administration for their information and corrective action.

## DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following 14 schools/centers:

School/Center	Region	School/Center	Region
Biscayne Elementary	North	Citrus Grove Elementary	Central
Golden Glades Elementary	North	Orchard Villa Elementary	Central
Gratigny Elementary	North	Santa Clara Elementary	Central
Miami Lakes K-8 Center	North	Seminole Elementary	Central
Pine Villa Elementary	South	Eugenia B. Thomas K-8 Center	Central
Cutler Bay Middle School	South	Kinloch Park Middle	Central
Miami Palmetto Senior	South	Miami Edison Senior	Central

Our review disclosed that all 14 schools/centers generally complied with the review of the report and with the requirements for granting access to system applications. Minor discrepancies were discussed with the school administration for their information and corrective follow-up.

## AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2013, June 30, 2014 and/or June 30, 2015 (depending on the school/center audited) for the 46 schools/centers included herein. It also provides the audit opinion regarding the schools/centers’ financial statements:

# **CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2013**

The Condensed Annual Financial Report and Total Cash and Investments as of June 30, 2013 for one of the 46 schools/centers reported herein are as follows:

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Region Office School/Center									
7591	North Miami Senior	\$ 134,955.12	\$ 495,454.22	\$ 480,542.78	\$ 149,866.56	\$ 40,346.16	\$ 109,520.40	\$ -	\$ 149,866.56
TOTALS		\$ 134,955.12	\$ 495,454.22	\$ 480,542.78	\$ 149,866.56	\$ 40,346.16	\$ 109,520.40	\$ -	\$ 149,866.56



# **CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2014 for the 38 of the 46 schools/centers reported herein are as follows:

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Region Office Schools/Centers									
2161	Golden Glades Elementary	\$ 12,919.47	\$ 9,719.00	\$ 12,105.62	\$ 10,532.85	\$2,873.29	\$ 7,659.56	\$ -	\$ 10,532.85
7591	North Miami Senior	149,866.56	494,748.55	513,672.77	130,942.34	25,726.29	105,216.05	-	130,942.34
South Region Office Schools/Centers									
4461	Pine Villa Elementary	5,651.39	5,716.11	5,311.13	6,056.37	3,824.50	2,231.87	-	6,056.37
2901	Leisure City K-8 Center	17,539.30	53,804.02	53,660.54	17,682.78	740.03	16,942.75	-	17,682.78
6111	Cutler Bay Middle School	22,346.16	60,647.46	60,673.91	22,319.71	3,065.01	19,254.70	-	22,319.71
7431	Miami Palmetto Senior	377,638.16	1,095,981.50	1,099,172.59	374,447.07	12,733.36	361,713.71	-	374,447.07
Central Region Office Schools/Centers									
4081	Primary Learning Center	18,131.42	462,319.55	457,414.67	23,036.30	12,278.69	10,757.61	-	23,036.30
0121	Auburndale Elementary	18,422.41	244,592.05	243,180.78	19,833.68	9,456.79	10,376.89	-	19,833.68
0801	Citrus Grove Elementary	19,542.76	94,835.86	95,393.94	18,984.68	18,175.53	809.15	-	18,984.68
0881	Comstock Elementary	24,856.96	19,157.35	18,890.73	25,123.58	13,552.84	11,570.74	-	25,123.58
1361	Frederick Douglass Elementary	14,381.83	16,822.21	17,620.56	13,583.48	7,201.76	6,381.72	-	13,583.48

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
2821	Lakeview Elementary	4,640.86	20,585.91	21,542.39	3,684.38	404.57	3,279.81	-	3,684.38
3181	Melrose Elementary	13,538.29	30,696.69	28,822.63	15,412.35	6,866.19	8,546.16	-	15,412.35
3301	Miami Park Elementary	11,036.45	17,388.95	16,406.54	12,018.86	8,283.34	3,735.52	-	12,018.86
3341	Miami Shores Elementary	25,684.84	203,093.41	193,981.69	34,796.56	26,155.11	8,641.45	-	34,796.56
4171	Orchard Villa Elementary	6,319.73	5,051.44	4,662.07	6,709.10	5,647.84	1,061.26	-	6,709.10
4071	Agenorla S. Paschal/Olinda Elementary	12,156.77	7,331.14	14,196.86	5,291.05	409.55	4,881.50	-	5,291.05
4401	Kelsey L. Pharr Elementary	10,750.50	5,945.15	6,549.11	10,146.54	5,103.37	5,043.17	-	10,146.54
4841	Santa Clara Elementary	7,977.08	8,943.56	8,779.27	8,141.37	2,416.08	5,725.29	-	8,141.37
5361	Springview Elementary	20,369.31	88,755.11	91,803.42	17,321.00	12,221.03	5,099.97	-	17,321.00
5381	E.W.F. Stirrup Elementary	38,328.84	279,256.02	276,032.51	41,552.35	19,498.71	22,053.64	-	41,552.35
5931	Phillis Wheatley Elementary	13,136.52	13,865.10	20,581.90	6,419.72	2,375.43	4,044.29	-	6,419.72
0961	Coral Gables Preparatory Academy K-8	22,965.81	109,791.05	113,216.15	19,540.71	1,615.00	17,925.71	-	19,540.71
1121	Coral Way K-8 Center	26,832.78	483,387.64	482,808.59	27,411.83	20,559.37	6,852.46	-	27,411.83
1601	Edison Park K-8 Center	13,039.00	18,849.19	19,393.65	12,494.54	8,290.70	4,203.84	-	12,494.54

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
3501	Morningside K-8 Academy	14,018.20	34,749.31	36,637.31	12,130.20	5,148.89	6,981.31	-	12,130.20
6071	George Washington Carver Middle	93,379.02	104,155.28	110,993.49	86,540.81	2,949.27	83,591.54	-	86,540.81
6091	Citrus Grove Middle	20,883.79	30,774.31	27,332.56	24,325.54	6,118.67	18,206.87	-	24,325.54
6331	Kinloch Park Middle	50,710.48	93,889.56	91,238.77	53,361.27	18,934.30	34,426.97	-	53,361.27
6741	Ponce de Leon Middle	37,491.74	155,540.05	153,100.60	39,931.19	10,093.37	29,837.82	-	39,931.19
7571	International Studies Preparatory Academy	13,881.96	95,812.50	90,082.42	19,612.04	19,612.04	-	-	19,612.04
7581	iPreparatory Academy Senior	32,411.40	30,561.38	27,069.13	35,903.65	17,873.88	18,029.77	-	35,903.65
7301	Miami Edison Senior	143,628.00	167,774.31	204,780.36	106,621.95	28,764.13	77,857.82	-	106,621.95
7461	Miami Senior	172,735.82	558,362.74	558,452.44	172,646.12	55,728.26	116,917.86	-	172,646.12
7511	Miami Springs Senior	93,791.73	362,687.71	368,873.83	87,605.61	28,430.78	59,174.83	-	87,605.61
7901	New World School Of The Arts Senior	41,628.07	188,045.96	184,435.51	45,238.52	15,104.70	30,133.82	-	45,238.52
7241	Ronald W. Reagan/Doral Senior	203,281.96	726,025.21	740,997.85	188,309.32	7,239.45	181,069.87	-	188,309.32
7055	Young Women's Preparatory Academy Sr.	57,916.48	153,870.53	147,222.47	64,564.54	20,054.89	44,509.65	-	64,564.54
<b>TOTALS</b>		\$ 1,883,831.85	\$ 6,553,532.87	\$ 6,617,090.76	\$ 1,820,273.96	\$ 465,527.01	\$ 1,354,746.95	\$ -	\$ 1,820,273.96

# **CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2015 for the 46 schools/centers reported herein are as follows:

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Region Office Schools/Centers									
0321	Biscayne Elementary	15,168.78	169,027.69	169,723.19	14,473.28	5,411.02	9,062.26	-	14,473.28
2161	Golden Glades Elementary	10,532.85	13,615.02	16,018.78	8,129.09	4,438.73	3,690.36	-	8,129.09
2241	Gratigny Elementary	12,817.23	16,015.84	18,100.82	10,732.25	5,075.12	5,657.13	-	10,732.25
3241	Miami Gardens Elementary	4,265.43	14,096.96	14,433.19	3,929.20	2,754.28	1,174.92	-	3,929.20
3281	Miami Lakes K-8 Center	17,149.12	165,659.52	155,812.04	26,996.60	23,476.21	3,520.39	-	26,996.60
7591	North Miami Senior	130,942.34	481,277.10	517,175.72	95,043.72	34,192.27	60,851.45	-	95,043.72
South Region Office Schools/Centers									
2001	Florida City Elementary	15,120.19	17,425.44	17,859.18	14,686.45	6,176.83	8,509.62	-	14,686.45
4461	Pine Villa Elementary	6,056.37	2,503.82	3,147.01	5,413.18	1,067.32	4,345.86	-	5,413.18
2901	Leisure City K-8 Center	17,682.78	55,750.37	54,756.72	18,676.43	1,627.57	17,048.86	-	18,676.43

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
0073	Mandarin Lakes K-8 Center	13,256.51	50,995.59	52,932.69	11,319.41	3,254.19	8,065.22	-	11,319.41
6111	Cutler Bay Middle School	22,319.71	65,291.44	64,579.77	23,031.38	2,156.06	20,875.32	-	23,031.38
7431	Miami Palmetto Senior	374,447.07	800,862.66	828,139.30	347,170.43	58,186.22	288,984.21	-	347,170.43
<b>Central Region Office Schools/Centers</b>									
4081	Primary Learning Center	23,036.30	496,591.63	503,281.89	16,346.04	5,521.05	10,824.99	-	16,346.04
0121	Auburndale Elementary	19,833.68	260,276.75	259,529.48	20,580.95	10,139.06	10,441.89	-	20,580.95
0801	Citrus Grove Elementary	18,984.68	104,414.51	105,624.91	17,774.28	16,960.07	814.21	-	17,774.28
0881	Comstock Elementary	25,123.58	19,377.59	19,307.77	25,193.40	13,550.20	11,643.20	-	25,193.40
1361	Frederick Douglass Elementary	13,583.48	12,998.17	12,968.15	13,613.50	7,191.81	6,421.69	-	13,613.50
2821	Lakeview Elementary	3,684.38	10,654.82	10,230.22	4,108.98	808.64	3,300.34	-	4,108.98
3181	Melrose Elementary	15,412.35	24,810.70	25,057.18	15,165.87	6,566.06	8,599.81	-	15,165.87
3301	Miami Park Elementary	12,018.86	14,533.16	14,423.97	12,128.05	8,368.56	3,759.49	-	12,128.05

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
3341	Miami Shores Elementary	34,796.56	200,984.46	206,685.45	29,095.57	20,399.99	8,695.58	-	29,095.57
4171	Orchard Villa Elementary	6,709.10	8,548.08	8,423.45	6,833.73	5,765.83	1,067.90	-	6,833.73
4071	Agenorla S. Paschal/Olinda Elementary	5,291.05	7,451.64	7,189.33	5,553.36	2,651.33	2,902.03	-	5,553.36
4401	Kelsey L. Pharr Elementary	10,146.54	3,330.32	3,998.67	9,478.19	4,403.42	5,074.77	-	9,478.19
4841	Santa Clara Elementary	8,141.37	9,654.55	10,708.70	7,087.22	1,827.54	5,259.68	-	7,087.22
4921	Seminole Elementary	30,773.20	39,974.13	40,465.77	30,281.56	17,078.18	13,203.38	-	30,281.56
5361	Springview Elementary	17,321.00	79,671.22	80,118.86	16,873.36	11,741.44	5,131.92	-	16,873.36
5381	E.W.F. Stirrup Elementary	41,552.35	353,336.98	356,100.98	38,788.35	16,596.57	22,191.78	-	38,788.35
5931	Phillis Wheatley Elementary	6,419.72	26,024.15	22,540.36	9,903.51	5,833.88	4,069.63	-	9,903.51
0961	Coral Gables Preparatory Academy K-8	19,540.71	68,761.89	61,891.01	26,411.59	4,151.38	22,260.21	-	26,411.59
1121	Coral Way K-8 Center	27,411.83	501,900.31	496,131.06	33,181.08	26,285.69	6,895.39	-	33,181.08

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
1601	Edison Park K-8 Center	12,494.54	16,066.33	15,652.36	12,908.51	8,678.35	4,230.16	-	12,908.51
3501	Morningside K-8 Academy	12,130.20	41,006.29	40,104.16	13,032.33	6,007.29	7,025.04	-	13,032.33
0071	Eugenia B. Thomas K- 8 Center	25,172.54	733,097.99	733,665.81	24,604.72	6,838.37	17,766.35	-	24,604.72
6071	George Washington Carver Middle	86,540.81	117,754.59	120,553.47	83,741.93	4,632.11	79,109.82	-	83,741.93
6091	Citrus Grove Middle	24,325.54	35,484.84	35,358.28	24,452.10	6,131.18	18,320.92	-	24,452.10
6331	Kinloch Park Middle	53,361.27	92,247.76	92,826.56	52,782.47	4,110.03	48,672.44	-	52,782.47
6741	Ponce de Leon Middle	39,931.19	142,453.81	135,693.46	46,691.54	16,666.82	30,024.72	-	46,691.54
7571	International Studies Preparatory Academy	19,612.04	127,608.82	115,299.55	31,921.31	29,912.69	2,008.62	-	31,921.31
7581	iPreparatory Academy Senior	35,903.65	41,139.73	36,559.79	40,483.59	22,347.18	18,136.41	-	40,483.59
7301	Miami Edison Senior	106,621.95	186,293.29	206,728.61	86,186.63	17,841.11	68,345.52	-	86,186.63
7461	Miami Senior	172,646.12	571,775.14	594,563.56	149,857.70	32,044.14	117,813.56	-	149,857.70
7511	Miami Springs Senior	87,605.61	387,600.71	390,214.40	84,991.92	25,446.41	59,545.51	-	84,991.92

**CONDENSED ANNUAL FINANCIAL REPORTS AND  
TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	School/Center	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7901	New World School Of The Arts Senior	45,238.52	127,230.14	129,565.56	42,903.10	12,580.53	30,322.57	-	42,903.10
7241	Ronald W. Reagan/Doral Senior	188,309.32	684,610.76	680,148.67	192,771.41	5,497.01	187,274.40	-	192,771.41
7055	Young Women's Preparatory Academy Sr.	64,564.54	151,536.39	136,690.68	79,410.25	34,623.91	44,786.34	-	79,410.25
<b>TOTALS</b>		\$ 1,953,996.96	\$ 7,551,723.10	\$ 7,620,980.54	\$ 1,884,739.52	\$ 567,013.65	\$ 1,317,725.87	\$ -	\$ 1,884,739.52



# CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2013, JUNE 30, 2014 AND/OR JUNE 30, 2015

## AUDIT OPINION

### Audit Opinion on Financial Statements and Overall Assessment of Internal Controls Over Financial Reporting

Notwithstanding the conditions and findings reported herein, at 44 of the 46 schools/centers reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2012-2013, 2013-2014 and/or 2014-2015 fiscal year(s), on the cash basis of accounting, depending on the school audited.

At North Miami Senior High School, due to the conditions cited in the report, which include the misappropriation of funds during the 2013-2014 and 2014-2015 fiscal years, as disclosed in the findings of the individual school audit report and in pages 36-53 of this report, the financial statements of the internal funds of the school/center do not fairly present the results of its operations, on the cash basis of accounting. At Miami Shores Elementary, except for the activity in the Community School Fund corresponding to the 2013-2014 and 2014-2015 fiscal years, as disclosed in the findings of the individual school audit report and in pages 102-111 of this report, the control structure was otherwise functioning as designed by the school administration.

As of June 30, 2013, for one of the 46 schools/centers reported herein, total receipts and disbursements amounted to \$495,454.22 and \$480,542.78, respectively; while total cash and investments amounted to \$149,866.56 (Page 10). As of June 30, 2014, for 38 of the 46 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,553,532.87 and \$6,617,090.76, respectively; while total combined cash and investments amounted to \$1,820,273.96 (Pages 11-13). As of June 30, 2015, for all 46 schools/centers reported herein, total combined receipts and disbursements amounted to \$7,551,723.10 and \$7,620,980.54, respectively; while total combined cash and investments amounted to \$1,884,739.52 (Pages 14-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2015, the internal control structure at 43 of 46 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. At North Miami Senior and Miami Palmetto Senior, as disclosed in the findings of the individual school audit report, the internal control structure at these two schools/centers was not generally functioning as designed by the school administration. At Miami Shores Elementary, except for the activity in the Community School Fund, as disclosed in the individual findings of the school audit report, the internal control structure was otherwise functioning as designed by the school administration.

When conditions came to our attention that were deemed non-reportable, because they were immaterial or inconsequential, they were, nevertheless, discussed with management for their information and follow-up.

  
Maria Gonzalez, Certified Public Accountant  
Assistant Chief Auditor, School Audits Division  
Office of Management and Compliance Audits

## INTERNAL CONTROLS RATING

The internal controls rating of the 11 schools/centers reported herein **with audit exceptions** are depicted as follows:

SCHOOL/CENTER	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office School/Center</u>							
North Miami Senior			✓			✓	Impacted operations.
<u>South Region Office Schools/Centers</u>							
Miami Palmetto Senior			✓			✓	Impacted operations.
Cutler Bay Middle School		✓			✓		Likely to impact.
Leisure City K-8 Center		✓			✓		Likely to impact.
<u>Central Region Schools/Centers</u>							
Miami Senior		✓			✓		Likely to impact.
Ronald W. Reagan/Doral Senior		✓			✓		Likely to impact.
Citrus Grove Middle		✓			✓		Likely to impact.
Kinloch Park Middle		✓			✓		Likely to impact.
Citrus Grove Elementary		✓			✓		Likely to impact.
Melrose Elementary		✓			✓		Likely to impact.
Miami Shores Elementary			✓ (Partly— refer to comment in <i>Effect Column</i> ).			✓ (Partly— refer to comment in <i>Effect Column</i> ).	Impacted ASC/PK Program operations.

## INTERNAL CONTROLS RATING

The internal control ratings for the remaining 35 schools/centers reported herein **without audit exceptions** are depicted as follows:

SCHOOL/CENTER	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Biscayne Elementary	✓			✓			Not Likely to impact.
Golden Glades Elementary	✓			✓			Not Likely to impact.
Gratigny Elementary	✓			✓			Not Likely to impact.
Miami Gardens Elementary	✓			✓			Not Likely to impact.
Miami Lakes K-8 Center	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Florida City Elementary	✓			✓			Not Likely to impact.
Pine Villa Elementary	✓			✓			Not Likely to impact.
Mandarin Lakes K-8 Center	✓			✓			Not Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Primary Learning Center	✓			✓			Not Likely to impact.
Auburndale Elementary	✓			✓			Not Likely to impact.
Comstock Elementary	✓			✓			Not Likely to impact.
Frederick Douglass Elementary	✓			✓			Not Likely to impact.

## INTERNAL CONTROLS RATING

SCHOOL/CENTER	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Lakeview Elementary	✓			✓			Not Likely to impact.
Miami Park Elementary	✓			✓			Not Likely to impact.
Orchard Villa Elementary	✓			✓			Not Likely to impact.
Agenoria S. Paschal/Olinda Elementary	✓			✓			Not Likely to impact.
Kelsey L. Pharr Elementary	✓			✓			Not Likely to impact.
Santa Clara Elementary	✓			✓			Not Likely to impact.
Seminole Elementary	✓			✓			Not Likely to impact.
Springview Elementary	✓			✓			Not Likely to impact.
E.W.F. Stirrup Elementary	✓			✓			Not Likely to impact.
Phillis Wheatley Elementary	✓			✓			Not Likely to impact.
Coral Gables Preparatory Academy K-8	✓			✓			Not Likely to impact.
Coral Way K-8 Center	✓			✓			Not Likely to impact.
Edison Park K-8 Center	✓			✓			Not Likely to impact.
Morningside K-8 Academy	✓			✓			Not Likely to impact.
Eugenia B. Thomas K-8 Center	✓			✓			Not Likely to impact.
George Washington Carver Middle	✓			✓			Not Likely to impact.

## INTERNAL CONTROLS RATING

SCHOOL/CENTER	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Ponce de Leon Middle	✓			✓			Not Likely to impact.
International Studies Preparatory Academy	✓			✓			Not Likely to impact.
iPreparatory Academy Senior	✓			✓			Not Likely to impact.
Miami Edison Senior	✓			✓			Not Likely to impact.
Miami Springs Senior	✓			✓			Not Likely to impact.
New World School Of The Arts Senior	✓			✓			Not Likely to impact.
Young Women's Preparatory Academy Sr.	✓			✓			Not Likely to impact.

## SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the 11 schools/centers reported herein **with audit exceptions** are as follows:

WORK LOC. NO.	SCHOOL/CENTER	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
North Region Office School/Center					
7591	North Miami Senior <sup>(a)</sup>	4	<ul style="list-style-type: none"><li>▪ Misappropriation of Funds</li><li>▪ Funds Transfers</li><li>▪ Receipts/Deposits</li><li>▪ School-Sponsored/Fund-raising Activities</li></ul>	3	<ul style="list-style-type: none"><li>▪ Receipts/Deposits</li><li>▪ Disbursements</li><li>▪ Yearbook</li></ul>
South Region Office Schools/Centers					
7431	Miami Palmetto Senior <sup>(a)</sup>	3	<ul style="list-style-type: none"><li>▪ Misappropriation of Funds</li><li>▪ Bookkeeping</li><li>▪ Receipts/Deposits</li></ul>	None	
6111	Cutler Bay Middle <sup>(b)</sup>	1	<ul style="list-style-type: none"><li>▪ FTE-ELL, SPED, Teacher Certification</li></ul>	None	
2901	Leisure City K-8 Center <sup>(c)</sup>	2	<ul style="list-style-type: none"><li>▪ Payroll</li><li>▪ FTE-ELL</li></ul>	None	
Central Region Office Schools/Centers					
7461	Miami Senior	1	<ul style="list-style-type: none"><li>▪ FTE-ELL</li></ul>	None	
7241	Ronald W. Reagan/Doral Senior	1	<ul style="list-style-type: none"><li>▪ Yearbook</li></ul>	1	<ul style="list-style-type: none"><li>▪ Disbursements (Internal Funds/P-Card)</li></ul>
6091	Citrus Grove Middle	1	<ul style="list-style-type: none"><li>▪ FTE-ELL</li></ul>	None	
6331	Kinloch Park Middle	1	<ul style="list-style-type: none"><li>▪ FTE-ELL</li></ul>	None	
0801	Citrus Grove Elementary	1	<ul style="list-style-type: none"><li>▪ Receipts/Deposits</li></ul>	None	
3181	Melrose Elementary	1	<ul style="list-style-type: none"><li>▪ Disbursements</li></ul>	None	
3341	Miami Shores Elementary	2	<ul style="list-style-type: none"><li>▪ ASC Program</li><li>▪ Pre-K Program</li></ul>	None	
TOTAL		18		4	

Notes:

(a) Change of Principal at this school/center. Findings happened under tenure of former school administration.

(b) Change of Principal at this school/center. FTE finding happened under tenure of current school administration.

(c) Change of Principal at this school/center. Payroll finding happened under tenure of current and prior school administrations. FTE finding happened under tenure of prior school administration.

## SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the remaining 35 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOL/CENTER	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Region Office Schools/Centers</u>					
0321	Biscayne Elementary	None		None	
2161	Golden Glades Elementary	None		None	
2241	Gratigny Elementary	None		None	
3241	Miami Gardens Elementary	None		None	
3281	Miami Lakes K-8 Center	None		None	
<u>South Region Office Schools/Centers</u>					
2001	Florida City Elementary	None		None	
4461	Pine Villa Elementary	None		None	
0073	Mandarin Lakes K-8 Center	None		None	
<u>Central Region Office Schools/Centers</u>					
4081	Primary Learning Center	None		None	
0121	Auburndale Elementary	None		None	
0881	Comstock Elementary	None		None	
1361	Frederick Douglass Elementary	None		None	

## SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOL/CENTER	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
2821	Lakeview Elementary	None		None	
3301	Miami Park Elementary	None		None	
4171	Orchard Villa Elementary	None		None	
4071	Agenoria S. Paschal/Olinda Elementary	None		None	
4401	Kelsey L. Pharr Elementary	None		None	
4841	Santa Clara Elementary	None		None	
4921	Seminole Elementary	None		None	
5361	Springview Elementary	None		None	
5381	E.W.F. Stirrup Elementary	None		None	
5931	Phillis Wheatley Elementary	None		None	
0961	Coral Gables Preparatory Academy K-8	None		None	
1121	Coral Way K-8 Center	None		None	
1601	Edison Park K-8 Center	None		1	▪ Disbursements
3501	Morningside K-8 Academy	None		None	
0071	Eugenia B. Thomas K-8 Center	None		None	
6071	George Washington Carver Middle	None		None	



## SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOL/CENTER	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
6741	Ponce de Leon Middle	None		None	
7571	International Studies Preparatory Academy	None		None	
7581	iPreparatory Academy Senior	None		None	
7301	Miami Edison Senior	None		None	
7511	Miami Springs Senior	None		None	
7901	New World School Of The Arts Senior	None		None	
7055	Young Women's Preparatory Academy Sr.	None		None	
TOTAL		None		1	

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the 11 schools/centers **with audit exceptions**. The **highlighted table cell represents the principal(s)/administrator(s) in charge of the school/center during the audit period and/or when audit exception(s) happened**. Refer to *Notes* below for additional information:

Work Loc. No.	School/Center	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office School/Center</u>			
7591	North Miami Senior <sup>(a)</sup>	Mr. Daryl Branton	Mr. Michael A. Lewis (Through June 2014; presently Region Administrative Director, Central Region Office). Mr. Alberto Iber (Through June 2015; presently Principal at North Region Office).
<u>South Region Office Schools/Centers</u>			
7431	Miami Palmetto Senior <sup>(a)</sup>	Ms. Victoria G. Dobbs	Dr. Allison Harley (Through June 2015; presently Principal at Dr. Michael M. Krop Senior High School).
6111	Cutler Bay Middle School <sup>(a)(b)</sup>	Mr. Paul A. Pfeiffer	Mr. Eduardo L. Alonso (Through December 2013; presently Principal at Cypress K-8 Center).
2901	Leisure City K-8 Center <sup>(a)(c)</sup>	Mr. Kenneth L. Williams	Dr. Kelli Hunter-Sheppard (Through June 2015; presently District Director, Community Services).
<u>Central Region Office Schools/Centers</u>			
7461	Miami Senior	Mr. Benny Valdes	N/A = No Change of Principal Since Prior Audit.
7241	Ronald W. Reagan/Doral Senior	Mr. Juan C. Silva	N/A = No Change of Principal Since Prior Audit.
6091	Citrus Grove Middle	Ms. Cory R. Rodriguez	N/A = No Change of Principal Since Prior Audit.
6331	Kinloch Park Middle	Mr. Scott A. Weiner	N/A = No Change of Principal Since Prior Audit.
0801	Citrus Grove Elementary	Ms. Sharon Johnson	N/A = No Change of Principal Since Prior Audit.
3181	Melrose Elementary	Mr. Sergio A. Muñoz	N/A = No Change of Principal Since Prior Audit.
3341	Miami Shores Elementary	Ms. Brenda L. Swain	N/A = No Change of Principal Since Prior Audit.

*Notes:*

(a) Change of Principal since prior audit at this school/center (16 schools).

(b) Findings happened under current school administration. Change of Principal during audit period.

(c) Payroll findings happened under prior and current school administrations. FTE findings happened under former school administration. Change of Principal during audit period. For specific details, refer to individual school/center findings in this report.

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the remaining 35 schools/centers **without audit exceptions**. The highlighted table cell represents the **principal(s)/administrator(s) in charge of the school/center during the audit period**:

Work Loc. No.	School/Center	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
0321	Biscayne Elementary <sup>(a)</sup>	Ms. Karen D. Villalba-Belusic	Ms. Maria P. Costa (Through June 2015; presently Principal at Fienberg/Fisher K-8 Center).
2161	Golden Glades Elementary <sup>(a)(d)</sup>	Ms. Crystal J. Spence	Dr. Theron A. Clark (Through October 2013; presently Principal at Educational Alternative Outreach Program).
2241	Gratigny Elementary <sup>(a)</sup>	Ms. Bisleixis Tejeiro	Dr. Aaron L. Enteen (Through May 2015; retired).
3241	Miami Gardens Elementary <sup>(a)</sup>	Ms. Kathleen John-Louissaint	Dr. Apryle L. Kirnes (Through June 2015; presently Principal at Myrtle Grove K-8 Ctr.).
3281	Miami Lakes K-8 Center <sup>(a)</sup>	Ms. Rosa L. Calvo	Mr. Carlos A. Salcedo (Through May 2015; presently Assistant Principal at Miami Lakes K-8 Center).
<u>South Region Office Schools/Centers</u>			
2001	Florida City Elementary <sup>(a)</sup>	Ms. Rachelle A. Surrancy	Ms. Catherine T. Krtausch (Through June 2015; presently Principal at Vineland K-8 Center).
4461	Pine Villa Elementary	Ms. Renita L. Lee	N/A = No Change of Principal Since Prior Audit.
0073	Mandarin Lakes K-8 Center <sup>(a)</sup>	Dr. Cadian Collman	Mr. Kenneth L. Williams (Through June 2015; presently Principal at Leisure City K-8 Center).
<u>Central Region Office Schools/Centers</u>			
4081	Primary Learning Center <sup>(e)</sup>	Mr. Alberto M. Carvalho	N/A = No Change of Principal Since Prior Audit.
0121	Auburndale Elementary <sup>(f)</sup>	Ms. Ana M. Gutierrez	N/A = No Change of Principal Since Prior Audit.

*Notes:*

(a) Change of Principal since prior audit at this school/center (16 schools).

(d) Change of Principal during audit period. Principals in charge for portion of the audit period.

(e) Center merged with iPreparatory Academy (Location 7581) effective for the 2015-2016 school year.

(f) Change of Principal at the November 18, 2015 School Board Meeting, after completion of the audit (2 schools/centers). Current Principal/Administrator listed in this report as of the date of completion of the audit.

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	School/Center	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
0881	Comstock Elementary	Ms. Adrian M. Rogers	N/A = No Change of Principal Since Prior Audit.
1361	Frederick Douglass Elementary	Ms. Yolanda L. Ellis	N/A = No Change of Principal Since Prior Audit.
2821	Lakeview Elementary	Ms. Sandra V. Banky	N/A = No Change of Principal Since Prior Audit.
3301	Miami Park Elementary <sup>(a)</sup>	Ms. Atunya R. Walker	Ms. Stephanie D. Goree (Through November 2014; retired).
4171	Orchard Villa Elementary <sup>(a)(f)</sup>	Ms. Jacqueline N. Lewis, Assistant Principal	Ms. Jennifer O. Escandell (Through October 2015; resigned)
4071	Agenoria S. Paschal/Olinda Elementary	Mr. Adrian Montes	N/A = No Change of Principal Since Prior Audit.
4401	Kelsey L. Pharr Elementary	Dr. Carol R. Sampson	N/A = No Change of Principal Since Prior Audit.
4841	Santa Clara Elementary	Dr. Melanie K. Fox	N/A = No Change of Principal Since Prior Audit.
4921	Seminole Elementary <sup>(a)</sup>	Ms. Mayra DeLeon	Ms. Lourdes A. Lopez (Through June 2015; presently Principal at South Miami K-8 Ctr.).
5361	Springview Elementary	Ms. Catalina Flor	N/A = No Change of Principal Since Prior Audit.
5381	E.W.F. Stirrup Elementary	Dr. Maria E. Hernandez	N/A = No Change of Principal Since Prior Audit.
5931	Phillis Wheatley Elementary	Ms. Cathy M. Williams	N/A = No Change of Principal Since Prior Audit.
0961	Coral Gables Preparatory Academy K-8	Ms. Graciela P. Cerra	N/A = No Change of Principal Since Prior Audit.
1121	Coral Way K-8 Center	Ms. Mayte M. Dovale	N/A = No Change of Principal Since Prior Audit.
1601	Edison Park K-8 Center	Ms. Carla Patrick	N/A = No Change of Principal Since Prior Audit.
3501	Morningside K-8 Academy <sup>(a)</sup>	Ms. Jordana C. Schneider	Ms. Kathleen John-Louissaint (Through June 2015; presently Principal at Miami Gardens Elementary School).

*Notes:*

(a) Change of Principal since prior audit at this school/center (16 schools).

(f) New Principal appointed to this school at the November 18, 2015 School Board Meeting (SB Agenda D-21), after completion of the audit (2 schools/centers). Current Principal/Administrator listed in this report *is acting administrator as of the date of completion of the audit*.

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	School/Center	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
0071	Eugenia B. Thomas K-8 Center <sup>(a)</sup>	Ms. Debbie F. Saumell	Ms. Mayra Barreira (Through June 2015; presently Principal at Rockway Elementary School).
6071	George Washington Carver Middle	Ms. Shelley F. Stroleny	N/A = No Change of Principal Since Prior Audit.
6741	Ponce de Leon Middle	Ms. Martha C. Chang	N/A = No Change of Principal Since Prior Audit.
7571	International Studies Preparatory Academy	Mr. Alejandro Perez	N/A = No Change of Principal Since Prior Audit.
7581	iPreparatory Academy Senior	Mr. Alberto M. Carvalho	N/A = No Change of Principal Since Prior Audit.
7301	Miami Edison Senior	Ms. Trynegwa K. Diggs	N/A = No Change of Principal Since Prior Audit.
7511	Miami Springs Senior	Mr. Edward R. Smith	N/A = No Change of Principal Since Prior Audit.
7901	New World School Of The Arts Senior	Ms. Evonne S. Alvarez	N/A = No Change of Principal Since Prior Audit.

*Note:*

(a) Change of Principal since prior audit at this school/center (16 schools).

## PROPERTY SCHEDULES

The results of the property inventories of the 53 schools/centers reported herein are:

WORK LOCATION NO.	School/Center	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
North Region Office Schools/Centers								
0321	Biscayne Elementary	171	\$ 335,177	-	-	-	-	-
2161	Golden Glades Elementary	89	215,158	-	-	-	-	-
2241	Gratigny Elementary	157	403,726	-	-	-	-	-
4121	Dr. Robert B. Ingram Elementary <sup>(1)</sup>	164	484,304	-	-	-	-	-
3241	Miami Gardens Elementary	71	145,028	-	-	-	-	-
3281	Miami Lakes K-8 Center	226	644,144	-	-	-	-	-
7141	Dr. Michael M. Krop Senior <sup>(1)</sup>	771	1,956,753	-	-	-	-	-
7591	North Miami Senior	682	2,383,298	-	-	-	2	\$ 7,464
South Region Office Schools/Centers								
2001	Florida City Elementary	160	302,025	-	-	-	-	-
0311	Goulds Elementary <sup>(1)</sup>	129	360,966	-	-	-	-	-
4461	Pine Villa Elementary	114	242,724	-	-	-	-	-
2901	Leisure City K-8 Center	275	548,734	-	-	-	-	-
0073	Mandarin Lakes K-8 Center	191	646,272	-	-	-	-	-
6111	Cutler Bay Middle School	230	738,837	-	-	-	-	-
7431	Miami Palmetto Senior	542	1,265,413	-	-	-	-	-
7531	Miami Sunset Senior <sup>(1)</sup>	541	1,349,875	-	-	-	-	-
Central Region Office Schools/Centers								
4081	Primary Learning Center	30	58,186	-	-	-	-	-
0121	Auburndale Elementary	212	474,941	-	-	-	-	-

Note: (1) Property inventory results pending since last report in September 2015 (7 schools/centers).

## PROPERTY SCHEDULES

WORK LOCATION NO.	School/Center	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
0801	Citrus Grove Elementary	184	405,958	-	-	-	-	-
0881	Comstock Elementary	191	376,839	-	-	-	2	3,713
1361	Frederick Douglass Elementary	92	227,822	-	-	-	-	-
2821	Lakeview Elementary	131	307,151	-	-	-	1	1,369
3181	Melrose Elementary	122	287,701	-	-	-	-	-
3301	Miami Park Elementary	159	360,998	-	-	-	-	-
3341	Miami Shores Elementary	180	384,491	-	-	-	1	1,199
4171	Orchard Villa Elementary	130	269,046	-	-	-	-	-
4071	Agenoria S. Paschal/Olinda El.	116	248,933	-	-	-	-	-
4401	Kelsey L. Pharr Elementary	73	159,689	-	-	-	-	-
4721	Rockway Elementary <sup>(1)</sup>	123	283,102	-	-	-	-	-
4841	Santa Clara Elementary	121	278,789	-	-	-	-	-
4921	Seminole Elementary	143	294,556	-	-	-	-	-
5361	Springview Elementary	137	336,938	-	-	-	-	-
5381	E.W.F. Stirrup Elementary	139	327,638	-	-	-	-	-
5561	Frances S. Tucker Elementary <sup>(1)</sup>	140	342,914	-	-	-	-	-
5931	Phillis Wheatley Elementary	150	356,792	-	-	-	-	-
0961	Coral Gables Preparatory Acad. K-8	230	564,160	-	-	-	-	-
1121	Coral Way K-8 Center	321	909,184	-	-	-	-	-
1601	Edison Park K-8 Center	188	359,582	-	-	-	-	-
3501	Morningside K-8 Academy	94	264,640	-	-	-	-	-
0071	Eugenia B. Thomas K-8 Center	277	589,219	-	-	-	-	-
6071	George Washington Carver Middle	208	485,503	-	-	-	-	-

Note: (1) Property inventory results pending since last report in September 2015 (7 schools/centers).

## PROPERTY SCHEDULES

WORK LOCATION NO.	School/Center	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6091	Citrus Grove Middle	319	733,698	-	-	-	-	-
6331	Kinloch Park Middle	249	624,235	-	-	-	-	-
6741	Ponce de Leon Middle	227	743,872	-	-	-	-	-
6821	Rockway Middle <sup>(1)</sup>	283	687,371	-	-	-	-	-
7571	International Studies Preparatory Academy	120	352,262	-	-	-	-	-
7581	iPreparatory Academy Senior	53	131,585	-	-	-	-	-
7301	Miami Edison Senior	717	1,626,443	-	-	-	-	-
7461	Miami Senior	709	2,533,696	-	-	-	-	-
7511	Miami Springs Senior	361	938,581	-	-	-	-	-
7901	New World School Of The Arts Senior	159	404,566	-	-	-	-	-
7241	Ronald W. Reagan/Doral Senior	591	1,746,705	-	-	-	-	-
7055	Young Women's Preparatory Academy Sr.	335	536,662	-	-	-	-	-
TOTAL		12,527	\$ 32,036,882	-	\$ -	\$ -	6	\$ 13,745

Note: (1) Property inventory results pending since last report in September 2015 (7 schools/centers).



## PROPERTY SCHEDULES

The following table is an analysis of Plant Security Reports. Those schools/centers reported herein that have not filed Plant Security Reports are excluded from this schedule:

Work Location No.	School/Center	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)		Total Depreciated Value
					Computers	Other	
<u>South Region Office School/Center</u>							
7431	Miami Palmetto Senior	1	1	\$ 1,450	\$ -	\$ 1,450	\$ -
<u>Central Region Office Schools/Centers</u>							
4401	Kelsey L. Pharr Elementary	1	1	1,331	-	1,331	248
7301	Miami Edison Senior	1	5	5,888	5,888	-	-
7461	Miami Senior	1	1	1,044	1,044	-	505
Total		4	8	\$ 9,713	\$ 6,932	\$ 2,781	\$ 753

Note: "Other" equipment: consists of a drill press and a printer.

## **FINDINGS AND RECOMMENDATIONS**

### **1. Inadequate Controls Over The Bookkeeping Function Led To Misappropriation Of Funds *North Miami Senior***

During our review of the financial activities for the 2012-2013, 2013-2014 and 2014-2015 fiscal years we discovered a misappropriation of funds. Based on the records reviewed, we discovered that the former Treasurer had misappropriated close to \$79,900 cash collected at the school between October 2013 and March 2015. This total included a check-for-cash substitution scheme where the former Treasurer substituted receipted cash collections with third-party checks not otherwise receipted by the school totaling approximately \$68,500. The third-party checks stemmed from various school activities that were to be recorded in the internal funds of the school. Consequently, the former Treasurer had ultimate custody of these checks since she was responsible for their recording and for depositing them into the school's checking account. In addition to the check-for-cash substitution scheme, the misappropriation included approximately \$11,400 cash collections from students that were turned over to the former Treasurer for deposit; however, these collections were never deposited.

Part of the former Treasurer's cover-up to prevent deficits from surfacing in some of the affected accounts, and thus discovery of the scheme, included diverting some of the corresponding expenditures to other accounts with available balance. For that matter, during 2014-2015, we identified several instances where the former Treasurer posted the disbursements to an account different from the account that should have absorbed the expenditures. Total disbursements diverted to other accounts using this scheme totaled approximately \$9,200. As a result of the misappropriation, the Band Activity account and the General Fund within the internal funds of the school closed the 2014-2015 year with deficit balances of approximately \$(3,610) and \$(13,000), respectively.

In addition to the misappropriation of funds, we found many instances where the former Treasurer withheld the deposit of funds for extended periods of time and deposit records were incomplete. In addition, we identified shortages in other fundraising activities where it could not be determined the party responsible for the shortage. Details of the conditions are being reported in separate findings within this report.

On April 6, 2015, we interviewed the former Treasurer regarding the discrepancies identified in several of the internal funds deposit packages of the school. During our interview, she gave us a brief confession in writing where she admitted undergoing "a financial crisis" and stated that she was "willing to pay the money back".

This matter was referred to the Miami-Dade Schools Police Department and to the State Attorney's Office for consideration of criminal charges. As of the date of publication of this report, the former Treasurer has been arrested and charged with Grand Theft in the Second Degree. She is out on bond pending further court proceedings.

Details of our findings follow:

#### *Accumulation of Cash and Unrecorded Third-Party Checks*

During our review of records for the 2013-2014 fiscal year, we identified a pattern in the handling of collections for certain club activities that was suspicious. During interviews conducted with a club sponsor and several other sponsors, they claimed that collections were remitted to the former Treasurer in a timely manner. The former Treasurer admitted that she did not always provide sponsors with a receipt immediately upon receiving the collections or deposited the collections in a timely fashion because of her heavy work schedule. She told us that she placed the collections pending deposit in a safe place in her office until she had time to process these funds; however, the collections awaiting deposit were not logged in the Collections/Deposits Log [FM-7249], which could have alerted the administration of their pending status. *This scheme allowed her to collect a significant amount of cash and store it in her office without being detected by the school administration.* In addition, the former Treasurer received a number of third-party checks, often from other schools, for payments associated with school activities. These checks were to be deposited in the internal funds of the school. Unfortunately, the payees did not demand a computer-generated receipt from the school and opted for ancillary documentation and the endorsement on the check as supporting documentation for their payment. *Consequently, the former Treasurer maintained custody of a number of these checks to perpetrate the fraud.*

#### *Disguise To Conceal Cash/Check Deposit Breakdown*

To disguise the misuse of these checks, the former Treasurer prepared two different bank deposit slips. One slip was filed with the school records matching the collections as they were tendered by the sponsors (mostly cash), thus mirroring the cash/check breakdown reflected by the source receipts and ancillary documentation supporting the deposit package. For the bank, *she prepared a different deposit slip (the actual deposit slip), listing the checks that were being deposited.* In addition, she maintained control over bank deposits by not using the armored car service to deliver the deposits to the bank. Instead, she took the deposits to the bank herself. Therefore, she was the only person at the school site in charge of or with access to copies of the deposit documentation.

### *Detection of Check-for-Cash Substitution Scheme*

We detected the cash substitution scheme by comparing the cash/check breakdown of the deposit package documentation and the deposit slip filed with the school records to the bank deposit's detailed back-up documentation that we requested and obtained from the bank; and by tracing all deposited checks to the original source receipts (to identify a check to its source). The comparison disclosed an overstatement in the amount of checks deposited and an identical understatement in the amount of cash deposited. This discrepancy represented *checks with no relationship to any of the source receipts that were deposited in lieu of the cash (substituted for cash)*. The makers of these checks were not alerted to the misuse of the funds since the checks were endorsed by the school, thus giving the false impression that they had been applied and used by the school as intended.

### *Additional Cash Collections Handled by Former Treasurer That Were Not Deposited*

In addition to the substitution scheme, we identified cash collections totaling approximately \$3,100 that the former Treasurer had posted to the accounting system in March 2015, before she left for the Spring Recess<sup>2</sup>, but had not deposited. These were part of the last collections handled by the former Treasurer before discovery of the misappropriation.

During our review of the former Treasurer's Office after discovery of the misappropriation and after she had been removed from the school, we found several Recaps of Collections totaling approximately \$5,700. These collections could not be located anywhere in the office, and we could not trace them to accounting postings or to bank deposits. We contacted the corresponding sponsors who stated that these Recaps, along with the monies collected, had been given to the former Treasurer for deposit; however, the former Treasurer had not issued receipts. The dates of these Recaps ranged from March 2014 to February 2015 and included collections raised by the Food Production sponsor and Homecoming Pageant ticket sales.

### *Monetary Shortfall in T-Shirt Sales Identified After Discovery of Misappropriation*

After discovery of the misappropriation, we met with activity sponsors to inquire as to whether their activities showed any discrepancies. According to the Activities Director's records, there was a cash shortfall in the sale of T-shirts conducted during the 2014-2015 fiscal year of approximately \$2,600. According to the Activities Director, the student receipt books utilized in the sales, along with the monetary collections, were submitted to the former Treasurer.

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<sup>2</sup> The Spring Recess took place from March 23, 2015 to March 27, 2015. The former Treasurer had collected these funds right before the Spring Recess. School was back in session on March 30, 2015; however, she was out the entire week and was to return to work on April 6, 2015, at which time we were waiting to interview her regarding the discrepancies.

Our review of the student receipt books in question disclosed that receipts were completed for the T-shirt sales; however, the monies were not entered into the system or deposited. Also, according to the Activities Director, the former Treasurer did not issue receipts when monies were turned in for deposit.

#### *Expenditures Diverted To Other Accounts*

We found eight instances where we clearly determined that expenditures were purposely posted to the wrong account. These corresponded to payments for student activities that were posted to the General Fund-Miscellaneous account and expenditures for food and art supplies that should have been posted to a Classes and Club Account or to a Fee account that were posted to the Instructional Materials and Supplies-Fund 9 account.

### **RECOMMENDATIONS**

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.**
- 1.2. Discuss with the treasurer, faculty and staff that all collections, including those that derive from third-parties received by the school in the form of checks (via U.S. Mail or via other delivery methods) must be receipted in the system, and a receipt must be sent to the third party as confirmation that the transaction has been posted to the system.**
- 1.3. Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.**
- 1.4. Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the Treasurer.**
- 1.5. Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.**

**Person(s) Responsible:**

**Principal, Assistant Principal, Treasurer**

**Management Response:**

The newly appointed Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, Section II-Chapter 2, Collections of Money and Section III - Chapter 3, with the Assistant Principal and the new Treasurer to ensure their

understanding of their responsibilities regarding the procedures for the receipting and depositing of funds. The Principal provided a copy of the aforementioned documents to be referenced when making deposits.

The Principal and Treasurer conducted training for faculty and staff members on the process and procedures required when handling collections.

The Principal has assigned the Assistant Principal to review financial transactions and activities with the Treasurer bi-weekly to ensure strict adherence to all guidelines. The Assistant Principal will verify that collections are properly receipted, documented and deposited in a timely manner. The Principal will meet with the Assistant Principal on an as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal will attend the Money Does Matter Program sessions scheduled throughout this school year by School Operations.

**Person(s) Responsible:** **North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the newly appointed Principal, July 15, 2015, established an organized plan for the Principal to implement and monitor the process for the receipting and depositing of funds. The Principal will thoroughly review the Manual of Internal Fund Accounting with the newly appointed Treasurer (transferred from another location).

The Principal has been instructed to identify a school administrator to oversee the daily operations of the bookkeeping functions, to ensure faculty and staff are well-trained to thoroughly understand the procedures for handling collections and that regular reviews are in place to ensure the procedures are in compliance.

In addition, the Principal has been instructed to ensure that the Treasurer attends District sponsored trainings and that the Assistant Principal meets regularly with the Treasurer to ensure that collections are properly receipted, documented and deposited in a timely manner. Also, the Principal has been instructed to meet with the Assistant Principal on as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal has been instructed to attend School Operation's Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

**Person(s) Responsible:****School Operations Administration****Management Response:**

School Operations has reviewed the audit exceptions cited in the 2012-2013, 2013-2014 and 2014-2015 fiscal year(s) audit reports of the following schools reporting to the North Region, Central Region and South Region Offices: North Miami Senior High School, Citrus Grove Elementary, Melrose Elementary, Miami Shores Elementary, Citrus Grove Middle, Kinloch Park Middle, Ronald W. Reagan/Doral Senior, Miami Senior, Leisure City K-8 Center, Cutler Bay Middle, and Miami Palmetto Senior. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Director on periodic basis mini-reviews to ensure that collections are properly receipted, documented, and timely deposited. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Coordinate collaboratively with the Region Offices and Bilingual and Exceptional Student Education District Offices and implement a compliance team to ensure documents are properly maintained.
- School Operations will coordinate monthly presentations from the various district Offices encompassing Bilingual Education and Exceptional Student Education on policies and procedures and maintenance of documents.
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through Money DOES Matter Support Program.
- School Operations in collaboration with the Region Office will continue to provide support to the school by assigning a Fiscal Review Team to conduct financial reviews, periodically.

School Operations will continue to work with principals to promote efficient fiscal practices.

## **2. Inadequate Controls Over Receipting And Depositing Procedures Recurrent In The Past Three Audits North Miami Senior**

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* provide the guidelines over the collecting, receipting and depositing of monies generated from Internal Fund activities. Pursuant guidelines in Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, *money collected by school employees, regardless of the amount, must be submitted to the school Treasurer, or back-up designee, on the same day collected.* Furthermore, MDCPS Weekly Briefing #5164 issued on November 8, 2008 delineates the current procedures for safeguarding school funds, including implementation of the Collections/Deposits Log form at the schools [FM-7249]. According to the procedures in the Weekly Briefing, money collected shall be deposited by the Treasurer *as soon as possible*, following the school's armored car services, *monies shall be deposited in the bank once accumulated monies exceed \$300. At a minimum, a deposit must be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected.*

*Situations similar to the conditions that follow were cited in the prior **three** audits and remained uncorrected. **The last audit was signed on June 2013.***

Our review of a sample of receipts from the 2013-2014 and 2014-2015 fiscal years disclosed discrepancies in several of the items selected for testing. Details are as follows:

- 2.1. In numerous instances, monies collected by teachers were not deposited and not posted to the automated system on a timely manner. According to interviews of faculty and staff conducted during the course of the audit, monies collected were submitted to the former Treasurer in a timely manner; however, the collections were not receipted in a timely manner and receipts were not provided by the former Treasurer immediately upon monies exchanging hands.
- 2.2. In numerous instances, there were delays in the deposit of collections. In addition, the Armored Service Log and the Collections/Deposit Log for the 2013-2014 and 2014-2015 fiscal years were not maintained.
- 2.3. Validated deposit slips were not attached to the deposit packages.



### *The Health Occupational Student of America (HOSA) District-wide Program Account*

During the three-year audit period up to the present, the school has been the fiscal repository for the Health Occupational Student of America (HOSA) district-wide program. Participating Senior High Schools forward funds to the school to cover dues, registration fees, the cost of club shirts, breakfast and award ceremonies that occur in the fall and spring. The District's Department of Career and Technical Education provides curriculum support for this program and has designated a Health Science Instructional Supervisor to oversee the activity district-wide.

During the three-year audit period the school received \$60,580, \$73,844, and \$66,664; and disbursed \$58,773, \$72,393, and 68,362, respectively. Similar to the previous audit, our review of the account and financial records disclosed the following discrepancies:

- 2.4. Up to October 2014 (the time of our visit), funds submitted from the participating senior high schools were recorded in a Classes and Clubs Fund account instead of a Trust Fund account and were comingled with monies from the school's HOSA club activities. Staff from the Department of Career and Technical Education was unaware that a Trust Fund account was not being used for posting the participating schools' remittances. Pursuant to our recommendation, a Trust Fund account was finally opened in October 2014 and monies received from the other schools are now being recorded in the account.
- 2.5. The participating schools submitted the collections in the form of checks; however, these checks were not always receipted. Our very detailed analysis of the account during this audit identified approximately \$39,700 in checks from other schools that were used in the check-for-cash substitution scheme during the 2013-2014 and 2014-2015 fiscal years. The other schools did not suspect any anomaly since the substitution scheme would not prevent the endorsement of these checks by North Miami Senior.
- 2.6. Recaps of Collections supporting some of the HOSA collections did not always specify the name of the school that remitted the funds or did not provide a breakdown of the collections. Specifically, registration forms indicating how many students paid for Regional fees and breakfast dues were not included with the deposit package and could not be located in the school records. According to the Health Science Instructional Supervisor and some of the records provided, these forms were completed and sent by the schools, along with a check. In addition, several donations made to the HOSA account to assist with the program's activities, sponsor students, and to defray the cost of travel to competitions were not supported with a donation letter from the donor.

- 2.7. Student fees in the amount of \$14 were collected from each participating students at their school location and funds were forwarded to North Miami Senior High School. Part of the fees covered the cost of a book bag and water bottle or similar items given to students participating in the program. However, according to the Health Science Instructional Supervisor and our review of expenditures incurred, the fees were also utilized to subsidize a portion of hotel accommodations of faculty/staff attending one of the conferences. We are of the opinion that students should not be charged to cover part of the hotel expenses incurred by faculty/staff. Based on the overall analysis of expenditures incurred, we considered these fees excessive.
- 2.8. At the beginning of the audit visit, during our review of the account's current deposits (but before discovery of the misappropriation), we identified an instance where the amount deposited was less than the receipts documenting the total amount collected. The total amount deposited was \$490; however, receipts totaled \$923 for a \$433 cash shortage. The former Treasurer claimed she was unaware of the shortage. According to the HOSA sponsor, she gave all the collections to the former Treasurer, but did not have a receipt that would confirm the amount turned in for deposit. At the time, we had advised the school to report the incident to MDCPS Police. Before the completion of our audit, the HOSA sponsor decided to replace the funds with a personal check.

Section IV, Chapter 12 of the *Manual of Internal Fund Accounting* provides the guidelines over Booster Club activities and establishes that *money raised from school-allied organization activities **must not** be comingled with the school's Internal Funds activities.*

- 2.9. During the course of the audit, the Athletic Business Manager was robbed outside the school and the thief stole \$9,318 in admission tickets and \$1,000 in cash. The incident was reported to M-DCPS Police. Part of the stolen cash corresponded to the Booster Club, while the rest corresponded to several athletic activities of the school.

## RECOMMENDATIONS

***In addition to the recommendations from the previous finding related to the misappropriation of funds and inadequate controls over receipting/depositing procedures and documentation, which are similarly applicable to the conditions cited herein, we further recommend the following:***

- 2.1. Ensure that a validated deposit slip is attached to the deposit package.
- 2.2. Enforce proper utilization of the Collections/Deposits Log and the Armored Car Service Log and ensure that all collections are properly safeguarded.

**2.3. Discuss with staff and school-allied organizations that funds corresponding to the school-allied organizations should not be commingled with school funds or handled by school staff.**

**Person(s) Responsible:**

**Principal, Assistant Principal, Treasurer**

**Management Response:**

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, Section IV- Chapter 12, with the Assistant Principal and the Treasurer to ensure their understanding and responsibilities regarding the procedures for attaching the deposit slip to the deposit package. The Principal provided a copy of the aforementioned documents to be referenced.

The Principal will ensure that validated deposit tickets are received from City National Bank on a monthly basis and are stapled to the corresponding deposits. The collections/deposit log will be utilized when the deposit(s) are locked in the vault under administrative supervision. Those collections/deposits will be signed by both the Treasurer and the Administrator. The armored car service log will be utilized for all outgoing deposits prepared by the Treasurer and signed by the Brinks representative.

The Principal reviewed and provided a copy of the documentation procedures from the Manual of Internal Fund Accounting to members of the PTSA and the Pioneer Booster Club. The Treasurer is providing regional Health Occupations Students of America (HOSA) Director with weekly printouts of available account balances.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor to ensure organized receipting and depositing procedures to make sure controls are in place. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Treasurer.

The Principal has been directed to meet regularly with the Treasurer to ensure procedures are followed accurately for collection/deposit logs, the Armored Car Service Log and that collections are safeguarded.

Additionally, the Principal has been instructed to review with staff and school-allied organizations that they cannot commingle with school funds or be handled by school staff.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.

***Regarding recommendations for oversight of the district-wide HOSA account, we proffered that:***

- 2.4. The District's Department of Career and Technical Education should monitor the collection and disbursement of HOSA funds on a periodic basis.**

**Person(s) Responsible:**

**Department of Career and Technical Education,  
Division of Academics**

**Management Response:**

The Executive Director met with the recently-assigned Health Science Instructional Supervisor to ensure compliance with the collection and disbursement of HOSA funds and has reviewed the Manual of Internal Fund Accounting, specifically Chapter 3, which establishes the procedures for collection of monies, to ensure understanding and responsibilities of the role of the Treasurer and the Instructional Supervisor.

To heighten the awareness and understanding of the requirements of all parties, the Health Science Instructional Supervisor will meet:

- a. On a monthly basis, with the treasurer at North Miami Senior High School, to review account balances and procedures and any anomalies will be reported immediately to the Executive Director; and
- b. On a quarterly basis, with each Regional Advisor to discuss HOSA trust balance and review any needed procedures.

- 2.5. The District should re-evaluate the fees charged to HOSA students and should consider alternative funding sources for subsidizing travel costs of faculty/staff involved in the HOSA program.**

**Person(s) Responsible:** **Department of Career and Technical Education,  
Division of Academics**

**Management Response:**

The Department of Career and Technical Education is in full agreement with Recommendation 2.5. Regional Advisors will be informed immediately and modifications to the HOSA regional dues will be proposed. At the scheduled HOSA Advisors meeting of January 20, 2016, alternative means of funding the national competitive event will be determined.

The Department of Career and Technical Education appreciates the support of the staff of the Office of Management and Compliance Audits during this internal audit process.

**3. Transfer Of Dormant  
Account Balances  
Exceeding  
\$1,000 Individually  
Done Without Proper  
Approvals  
*North Miami Senior***

According to Section III, Chapters 3 and 4 of the *Manual of Internal Fund Accounting*, a dormant or inactive function is one in which no transactions have been posted for at least two (2) consecutive years. For accounts in the Classes and Clubs, accounts that become dormant/inactive, remaining funds shall be considered as belonging to the General Miscellaneous account and shall be transferred to this account accordingly. Accounts in the Trust Fund may have certain requirements. In the case of a donation, if the donor's intent has been met, and a balance remains in a Trust Donation account, efforts to contact the donor should be made to obtain guidance as to how this balance may be used. If the donor cannot be contacted or does not provide the school with additional instructions, the school principal may authorize the treasurer to transfer the remaining balance to the school's General Miscellaneous account.

Those accounts where the remaining balance exceeds \$1,000 require the school to obtain approval in writing from the Region Center Superintendent and the Internal Funds Supervisor before making any decisions as to how to use or transfer funds.

*A situation similar to what follows was discussed with the former school administration during the prior audit and the matter remains uncorrected. A review of dormant accounts disclosed the following:*

A follow-up to several dormant accounts corresponding to the Classes and Clubs and Trust Funds within the internal funds of the school totaling approximately \$16,500 (of which three were identified as such in the previous audit) continued to have no financial activity in the 2013-2014 fiscal year. All these accounts held individual balances of over \$1,000 each. We noted that the former Treasurer had transferred the balances to the General Fund-Miscellaneous account (one during 2013-2014, the other three during 2014-2015) without the required approval to transfer these funds.

**RECOMMENDATIONS**

- 3.1. Review account balances before the closing of the fiscal year to identify dormant/inactive accounts and be able to process them in a timely manner.**
- 3.2. Ensure that all written approvals are obtained for transfers of dormant account balances in excess of \$1,000.**

**3.3. Ensure that transfers of funds between accounts are allowable before making the transfer.**

**Person(s) Responsible:** Principal, Assistant Principal, Treasurer

**Management Response:**

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, with the Assistant Principal and the Treasurer to ensure their understanding of and responsibilities regarding the procedures for transferring a dormant account balance in excess of \$1,000.00.

The Principal has instructed the Treasurer, to review the chart of accounts at the year's end to ensure that there are no dormant accounts. In the event there are dormant accounts, the Treasurer will complete a Journal Voucher (JV) transfer for each dormant account. This transfer will be approved by the Principal and the process will conclude prior to the end of the fiscal year.

Furthermore, the Principal will prepare a memorandum to the North Region Office Administration and the District Business Manager requesting transfer approval for any dormant account with a balance of \$1,000 or greater. Prior to making any transfer between accounts, the Treasurer will refer to the Manual of Internal Fund Accounting.

**Person(s) Responsible:** North Region Office Administration

**Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Treasurer.

The Principal has been instructed to meet regularly and the end of the fiscal year with the Treasurer to ensure that proper procedures are followed should dormant accounts exist and that appropriate transfers are made.

Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.



#### **4. School-Sponsored Activities Non-Compliant With Guidelines *North Miami Senior***

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* establishes the procedures that should be followed for conducting fundraising activities. Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Fundraising items given away as complimentary must be properly documented with signatures or appropriate documentation. Furthermore, Section III, Chapter 1 of the Manual establishes the procedures over the Athletic Fund transactions and prohibits the recording of fundraising activities in this fund.

*A situation similar to what follows was discussed with the former school administration during the prior audit and the matter remains uncorrected.* Our review of a sample of fundraising activities for the 2013-2014 and 2014-2015 fiscal years disclosed the following:

- 4.1. Student Activity Operating Reports [FM-0996] were incomplete or contained errors for both years. In addition, the reports were not always signed by the former Principal and the former Treasurer.
- 4.2. Complimentary lists were not always evident or properly completed.
- 4.3. The Athletic Department conducted a fundraiser and incorrectly posted this activity to the Athletic Fund instead of a Classes and Clubs account.

Section IV, Chapter 7 of the *Manual of Internal Fund Accounting* establishes the guidelines for Senior Class Activities. In addition, the *Student Activities Handbook*, issued by School Operations-Division of Activities/Athletics & Accreditation, establishes the general guidelines for planning, overseeing and conducting these activities. These activities are the Senior Prom, Gradnite, the selection of class jewelry and invitations, and commencement ceremony activities, such as the rental of cap and gowns. We reviewed senior activities and found the following in the 2013-2014 fiscal year:

- 4.4. Actual collections for a Senior Grad Bash totaled \$38,995. Based on the invoice paid to the vendor, a total of \$40,160 should have been collected, leaving an unfavorable difference of \$1,165. Another Senior Activity reflected a small unfavorable difference and a Complimentary List was not on file for some of the students who participated free of charge.

## RECOMMENDATIONS

- 4.1. Review the procedures with sponsors to ensure awareness and compliance of the requirements, especially the timely preparation, review and filing of Student activity Operating Reports.
- 4.2. Strengthen the review over fundraising activities, including the preparation and review of Student Activity Operating Reports.
- 4.3. Periodically review the activities with the Activities Director and Treasurer to ensure that sponsors are turning in collections timely, without discrepancy; and reports are completed, reviewed and signed.

**Person(s) Responsible:**

**Principal, Assistant Principal,  
Activities Director, Treasurer**

### **Management Response:**

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, with the Assistant Principal, Activities Director and Treasurer to ensure their understanding of responsibilities regarding the procedures regarding school sponsored activities/fundraising activities.

The Principal, Assistant Principal, Activities Director and Treasurer held a meeting with all club sponsors to review procedures regarding school sponsored activities/fundraising activities. All club sponsors were provided with a memorandum on Fundraising Policies and Procedures. The Principal has arranged for all fundraising activities to be vetted by the Activities Director, under the supervision of the designated Assistant Principal.

Additionally, the Principal will meet biweekly with the Activities Director and Treasurer to ensure the timely and accurate submission of Student Activity Operating Reports.

**Person(s) Responsible:**

**North Region Office Administration**

### **Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Assistant Principal, Activities Director and the Treasurer.

The Principal has been instructed to meet with all club sponsors to review procedures regarding school sponsored activities/fundraising activities and was also instructed to arrange for a designated Assistant Principal to oversee all fundraising activities in conjunction with the Activities Director.

In addition, the Principal was instructed to meet regularly with the Activities Director and the Treasurer to ensure that Student Activity Operating Reports are completed in timely and accurate manner.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.

**5. Inadequate Controls  
Over The Bookkeeping  
Function Led To  
Misappropriation Of Funds  
*Miami Palmetto Senior***

In 2014-2015, South Region Office administration and the former Principal contacted our office to request an audit of the school because of a number of deposits totaling approximately \$30,000 that were found in the school's vault pending deposit. At the time, we were also informed that the former Treasurer had not posted these collections to the automated accounting system.

Our review of the school's financial activity corresponding to the 2014-2015 fiscal year disclosed that the bookkeeping of the internal funds of the school was not being conducted in accordance with district policy. Furthermore, during the audit, the former Treasurer admitted to a \$460 misappropriation of funds and gave a brief confession. She was discovered attempting to use yearbook collections to cover a shortfall in monies supposedly refunded to students that the auditor had questioned during the audit. In addition to the \$460 related to the yearbook collections, close to \$520 from additional student refunds (\$260) and United Way collections (\$258) could not be accounted for. These funds were similarly under the custody of the former Treasurer and could not be traced to the bank account. Accordingly, the total amount of missing/misappropriated collections that can be attributed to the former treasurer amounted to approximately \$980.

In addition to the misappropriation, we noted that overall, monthly bank reconciliations throughout the year listed adjustments for shortages, some of which were questionable since there was no supporting documentation. Furthermore, during the month of October 2014, the school's checking account security was compromised, as several fraudulent checks had cleared the bank. The total dollar value of these checks was \$7,799, of which \$1,058 was not credited by the bank for some undisclosed reason. We were unable to determine the culprit(s) for this fraudulent activity. These bookkeeping-related inadequacies are being reported in separate findings within this report.

Upon the former Treasurer's confession, our office referred the case to the Miami-Dade School Police for further consideration and the former Treasurer was immediately removed from the school site. The State Attorney also reviewed this case; however, determined not to pursue the matter criminally. At present, the former Treasurer resigned and the school is in the process of hiring a new Treasurer.

Details relating to the misappropriation and the missing funds follow:

### *Foiled intent to Cover-up Culinary Art Fee shortage*

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* establishes the process for issuing multiple student refunds. The process indicates that multiple refunds may be processed by the Treasurer by issuing only one (1) check made payable to the school employee in charge of the activity for the total amount to be distributed to the various students who are due the refunds. The Treasurer may cash the check so that the school employee can distribute the refunds. The school employee will use a *Refund Log Sheet* [FM-0993] to secure the signature(s) of each student receiving the refund, and return the completed *Refund Log Sheet* to the treasurer along with undistributed cash, if any, to be deposited back into the school's checking account and posted to the specific internal fund account from which the refund check was issued. The treasurer will attach the signed *Refund Log Sheet* [FM-0993] to the check requisition corresponding to the refund check as documentation of its distribution and expense.

On April 27, 2015, we identified an internal fund check issued by the school and cashed by the former Treasurer for \$1,010. This check was dated December 17, 2014 to issue cash refunds to a group of students for Culinary Art fees paid by the students for a class that was later canceled; however, the *Refund Log Sheets* supporting this check (and disclosing the student signatures documenting distribution of the cash) were not presented for audit when requested. These logs were later brought to the auditor along with \$450 in cash. The number of student refunds listed in these log sheets plus the cash equaled the amount of the check, or \$1,010. According to the former Treasurer, she was still holding this cash because she had not completed issuing all the refunds due to the students.

The following day, in the morning of April 28, 2015, our office was contacted by the school regarding an incident with a collection of funds that happened during the previous day. Specifically, \$460 cash proceeds and supporting documentation for the sale of yearbooks had been turned into the Treasurer's Office on April 27, 2015; however, neither the funds nor the supporting documentation could be located. Immediately before contacting our office, the Assistant Treasurer had reported this incident to the Assistant Principal. Also, immediately after, the Assistant Principal contacted the student-yearbook treasurer<sup>3</sup> who had brought the monies to the Treasurer's Office the previous day, and was able to obtain from her a copy of one of the documents submitted, which consisted of a *Recap of Collections* [FM-1004]. The student-yearbook treasurer *had taken a photograph of the document with a cell phone* before turning in the cash and the documentation to the former Treasurer's Office (to have proof that monies were turned in for deposit *since a receipt was not issued*). This document was of critical importance since it listed the date of collections, the account's name, the internal funds' account structure, and the amount collected.

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<sup>3</sup> This is a student in charge of the yearbook collections.

Audit staff returned to the school to interview the Assistant Treasurer and the former Treasurer regarding the incident. During the interview, the Assistant Treasurer told audit staff that she had received \$460 cash from the student-yearbook treasurer and had placed the cash in the collection tray along with the supporting documentation. Shortly afterwards, *the Assistant Treasurer observed when the former Treasurer took the money out of the tray. According to the Assistant Treasurer, the former Treasurer told her it was to show to the auditor for the Culinary Arts fees (that were initially unaccounted for and questioned by the auditor); and that the Yearbook Sponsor would not mind her using the yearbook collections in this manner.*

During the audit staff's interview with the former Treasurer, and shortly after showing her the photographed copy of the Recap of Collections in question and requesting an explanation regarding the whereabouts of these funds, the former Treasurer admitted to the \$460 misappropriation, and stated her willingness to restitute the funds. She provided audit staff a brief confession in writing. She also provided the original *Recap of Collections*, the pink copy of the yearbook receipts supporting the *Recap of Collections* that the student-yearbook treasurer had submitted with the collections, and \$10 cash (the difference between \$450 and \$460 noted above) that was part of the yearbook collections.

#### *Discrepancies Related to Documentation Supporting Student Refunds and United Way Collections*

Regarding additional refunds that were questionable (\$260), these involved two refund checks (which included the refund check noted above, and an additional refund check totaling \$250 for Chorus fees). According to several students (identified by the auditor from the refund log sheets accompanying these two checks) that were interviewed by the former Principal (at the request of the auditor), *the former Treasurer had never refunded monies to them.* Particularly, for two of these students, the refund log sheets disclosed that *the former Treasurer had forged their signatures to make it appear as if they had received refunds.* For the other students, they claimed that they had not received a refund; or the student was listed twice for the same refund, and only one refund was issued. Regarding this second "refund", the former Treasurer noted in the log that the student had forgotten to sign it.

In regards to the United Way collections that we identified as missing under custody of the former Treasurer (\$258), on May 5, 2015, audit staff noted a locked desk cabinet located in the former Treasurers' office, for which no one at the school had the keys. A locksmith was called to open the cabinet. Inside the cabinet, there was an envelope with only 98 cents and a Recap of Collections for \$83.98 for United Way collections. We verified that these collections had been turned into the Treasurer's Office by the Activities Director on October 22, 2014; however the former Treasurer did not issue a receipt to the Activities Director, as indicated in the Activities Director's statement provided to the auditor. In addition, United Way collections totaling \$174.99 were listed

as an adjustment in the bank reconciliations since October 2014 for a deposit that never made it to the bank.

## **RECOMMENDATIONS**

- 5.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and ensure these procedures are enforced school-wide.**
- 5.2. Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.**
- 5.3. Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the Treasurer.**
- 5.4. Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.**

**Person(s) Responsible: Principal, Assistant Principal, Sponsors, and Treasurer**

### **Management Response:**

A new Principal was appointed to the school on July 16, 2015, and the former Treasurer resigned. At present, the school has been assigned a temporary Treasurer and the newly appointed Principal is in the process of interviewing candidates for the Treasurer position. The Principal will meet with the temporary Treasurer and again with the new Treasurer to ensure an understanding of the job expectations. Furthermore, the Principal will review the receipting/depositing procedures and bookkeeping procedures with the temporary and new Treasurer to ensure understanding of the expectations.

Additionally, in order to ensure adequate controls over the bookkeeping function, the Principal facilitated a mandatory faculty training session on September 9, 2015, wherein District policies and procedures for the receipting, collecting and depositing of monies were addressed. Proper use of *Recap of Collections Form* (FM-1004) and *Employee (BPI) Receipts* (FM-0976) were discussed with staff school wide to ensure their understanding of the receipting/collecting/depositing procedures.

The Principal has assigned an Assistant Principal to oversee the receipting/collecting/depositing functions and the work of the Treasurer. On November 5, 2015, the Principal met with the designated administrator and reviewed the role and responsibilities of the administrator in overseeing the financial activities of the school. The Principal directed this administrator to report to the Principal any discrepancies

related to the collections, receipting, and depositing functions for immediate corrective action.

**Person(s) Responsible:**

**South Region Office Administration**

**Management Response:**

The South Region Office Financial/Business Operations Director is working closely with the newly appointed Principal to identify and select a new Treasurer for the school. Furthermore, the South Region Office Financial/Business Operations Director instructed the newly assigned Principal to thoroughly review the Manual of Internal Fund Accounting to ensure that procedures are appropriately followed.

The South Region Office Financial/Business Operations Director, cooperatively with the newly assigned Principal, will solicit assistance from the Office of Internal Funds to provide the necessary training for selected staff and the newly assigned Treasurer (once identified).

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Palmetto Senior High School.



**6. Inadequate Oversight Of  
The Bookkeeping Function  
Led To Deficit Balances,  
Overspending, Double  
Payments, Bank  
Reconciliation Errors,  
And Incomplete Records  
*Miami Palmetto Senior***

Section V, Chapter 1, Section II, Chapter 5, and Section II, Chapter 1 of the *Manual of Internal Fund Accounting* establish the monthly and fiscal year-end closing procedures. These procedures require that the bank account maintained by each school be properly monitored and a monthly reconciliation be performed on a monthly basis.

The school Treasurer is responsible for preparing the bank reconciliations, while the Principal **must** review and sign these reconciliations evidencing his/her approval. It further requires that a running checkbook balance be maintained to avoid overdrawing the available balance in the checking account.

Procedures also require that all financial transactions be posted in a timely manner and disbursements should only be made when sufficient, uncommitted funds are available in the Internal Fund accounting structure to avoid year-end deficit balance in the internal fund accounts.

In those cases where it is required that the checking account be closed due to a breach of account security, fraudulent activity, and similar matters where the safeguarding of the asset may be compromised, the Principal should discuss matters with the bank's representative and the Treasurer *should ascertain that sufficient (but minimal) funds are maintained in the checking account to cover any outstanding checks and pending transactions/charges, and expediently transfer the rest of the funds to a new account to properly safeguard the funds.*

- 6.1. A review of the 2014-2015 fiscal year financial activity and account balances disclosed that several accounts in the Classes and Club-Fund and several accounts from the Trust-Fund closed the year with deficit balances totaling approximately \$(17,800). Deficits were the result of transaction mispostings or excessive spending (based on the revenues available for that particular account/activity).
- 6.2. On the other hand, a few accounts in the Trust Fund had balances of approximately \$3,700 that were inactive for at least two consecutive fiscal years; while a donation account in the Trust Fund (earmarked for a specific purpose to be used during a specified time frame) had a balance of approximately \$6,250 that had not been used as of the completion of this audit. At our request, the donor was contacted to extend the time frame for the use of the funds.

- 6.3. As mentioned in the previous finding regarding the misappropriation of funds, the school's checking account experienced fraudulent activity during October 2014. Around the time of discovery, the checking account had an available balance of approximately \$114,000. Consequently, the school opened a new operational checking account and transferred into the new account approximately \$65,000 from the available balance in the compromised checking account to resume fiscal operations and supposedly safeguard the internal funds of the school from possible future fraudulent activity. However, the compromised account was left with an available balance of approximately \$49,000, which we considered excessive given that outstanding checks previously drawn on the compromised account amounted to less than \$3,000. Finally, a transfer of funds totaling approximately \$52,000 to close the compromised account took place in March 2015. The additional \$3,000 funds represented credits subsequently issued by the bank to restore a portion of the funds previously debited from the account as result of the fraudulent activity.

As similarly noted in the misappropriation finding, monthly bank reconciliations for the period of September 2014 up to June 2015 listed reconciling items that we deemed questionable. Regarding the questionable cash shortages, verification of all 2014-2015 collections posted to the automated accounting system against the actual amounts deposited in the bank account disclosed that the total amount of adjustments representing deposit shortages amounted to approximately \$600. These shortages were posted to the General Fund-Cash Over/Short account. As of the completion of the audit an additional shortage for \$1,058, which represented the fraudulent check not credited by the bank remains in the monthly bank reconciliation as a pending adjustment.

- 6.4. The copies of cancelled checks corresponding to the new bank account were not being received by the school. This matter was corrected at the request of the auditor during the audit. Copies received at the request of the auditor were reviewed and the expenditures seemed proper for a school environment.
- 6.5. A running checkbook balance was not maintained for the entire 2014-2015 fiscal year.
- 6.6. Aside from the errors noted in the reconciliations, we noted other bookkeeping errors, some of which surfaced after the former Treasurer was removed from her post. We noted several instances where vendors were paid twice, while in some other instances, vendors had not been paid as of the end of our audit fieldwork and the school was in the process of issuing payments. In addition, fundraising profits totaling approximately \$2,700 were erroneously transferred to the Trust Fund-Special Purpose account. Regarding the vendor overpayments, at our request vendors were contacted, and several refund checks had been received as of the completion of our audit fieldwork.

According to Section V, Chapter 1 of the *Manual of Internal Fund Accounting*, at the end of each fiscal year, the school must complete an accurate inventory of prenumbered forms and file the report with the internal funds records of the school. Prenumbered forms comprise all official forms used by the school to receipt collections. Regarding this inventory, we noted that:

- 6.7. The Inventory of Prenumbered Forms report [FM-3564] for the 2013-2014 and 2014-2015 fiscal years disclosed errors and omissions, and instances where official forms could not be located. When verifying the inventory reports for both fiscal years, we noted that certain information critical to the inventory was not recorded in the *Serialized Forms and Tickets Distribution Log* [FM-0990]. Mostly, the missing data consisted of the return portion information which would indicate when inventoried items, such as an Official Teacher's receipt book or a Student Receipt book issued to a sponsor or student for use during the fiscal year had been returned by that sponsor or student to the Treasurer's Office for inventory control purposes.

## RECOMMENDATIONS

- 6.1. **Devise a weekly schedule to monitor and review internal fund activities with the Treasurer, in particular, the internal fund accounts activity and balances, to ensure that activity is posted daily and pending items are researched and cleared expeditiously.**
- 6.2. **Strengthen the review of monthly and year-end reports and bank statements/monthly reconciliations, directing special attention to unresolved reconciling items on monthly bank reconciliation and suspicious financial activity to ensure that assets are properly safeguarded.**
- 6.3. **Going forward, direct the Treasurer to maintain a running checkbook balance and review the checkbook regularly to ensure this procedure is being implemented.**
- 6.4. **Reverse transfers made to the Special Purpose account to place the funds in the correct account.**
- 6.5. **Ensure that the *Serialized Forms and Tickets Distribution Log* [FM-0990] is properly completed to ensure that controls/safeguards over the custody of official forms are observed.**

**Person(s) Responsible:** Principal, Assistant Principal, and Treasurer

**Management Response:**

The Principal instructed the Assistant Principal to review internal fund activity account balances on a weekly basis and confirm that all balances are up to date and that all postings are made in a timely manner as well as transactions charged to the correct accounts.

The Assistant Principal and Treasurer will ensure spending is kept within limits and internal funds, and accounts are not being operated with deficit balances.

The Principal directed all clerical staff members to immediately deliver the unopened bank statements and bank correspondence to her for initial review. The Principal will review the statements and initial for verification. The bank statements will then be delivered to the Treasurer for final review and processing. The Principal will pay special attention to the unresolved reconciling items on the monthly bank reconciliation.

The Principal met with the temporary Treasurer and has incorporated the use of QuickBooks as a new procedure in order to maintain a running checkbook balance. The Principal will direct the Treasurer to utilize QuickBooks in maintaining the checkbook balance.

The transfer to the Special Purpose account identified during the audit has been reversed, and the funds have been placed in the correct account.

The Principal has instructed the Assistant Principal to periodically review the Inventory of *Prenumbered Forms* report (FM-3564) and the *Tickets Distribution Log* (FM-0990) and verify that all official forms are located and safeguarded. The Assistant Principal will inform the Principal immediately of any unlocated forms.

**Person(s) Responsible:****South Region Office Administration****Management Response:**

The South Region Office Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer (once identified) to thoroughly review the *Manual of Internal Fund Accounting* to ensure compliance with the respective policies and procedures.

The Principal was instructed to meet regularly with the Internal Funds Business Manager to ensure compliance with established procedures.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Palmetto Senior High School.

**7. Inadequate Controls  
Over Collections  
Resulted In Deposit Delays  
And Incomplete Records  
Miami Palmetto Senior**

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* establish the policies and procedures regarding the collection process, receipting and depositing of monies generated from Internal Fund activities and *Weekly Briefing No. 5164* establishes Policies and Procedures on the Safeguarding Funds at Schools implementing utilization of the Collections/Deposits Log [FM-7249]. Consistent use of this form is required to ensure that school administration is fully aware of any monies pending deposits at the school; and that two employees are always present when monies are placed into the safe place or removed from the safe place for safeguarding purposes.

- 7.1. During our initial review, at the request of administration, we verified that approximately \$30,000 in collections that had been turned in to the Treasurer's Office between September 22, 2014 and October 3, 2014 were kept in the school's vault and were not posted to the system and deposited in the bank in a timely manner. Deposit delays amounted to 11 days. In addition, these collections were not listed/logged on the Collections/Deposits Log [FM-7249].
- 7.2. Further review of the Collections/Deposits Log disclosed that the form was not properly completed. In many instances, the signature of Principal or Designee was missing from the form.
- 7.3. We reviewed other deposit packages for the audit period and discovered that the deposit slip prepared by the Treasurer detailing the list of checks and cash for four deposits totaling approximately \$35,000 was not attached to the corresponding deposit package or presented for audit. At our request, the back-up documentation making up these deposits was obtained from the bank.

Pursuant to guidelines in Section II, Chapter 2 of the *Manual of Internal Accounting*, individual collections of \$15 or more require the issuance of an official receipt *at the point of collection*. Furthermore, when an official receipt book is used, staff must staple the computer-generated receipt produced by the system to the copy of the last receipt in the book that corresponds to the collection submitted.

- 7.4. During our review of the records, it became evident that sponsors/students/staff were not issued a receipt immediately when monies were turned in for deposit at the Treasurer's Office. In addition, the computer generated receipt printed by the automated accounting system was not stapled to the green copy of the last receipt issued from the Official Teacher's receipt book that corresponded to the collection submitted by the sponsor.

## RECOMMENDATIONS

***In addition to the recommendations in the previous finding, which are applicable to this finding, we further recommend:***

- 7.1. Ensure that designated administrator reviews the financial activities periodically to ensure that all collections are properly receipted, fully documented (including the validated deposit slips), timely deposited, and the Collection/Deposit Log (FM-7249) is properly utilized and maintained.**
- 7.2. Direct the new Treasurer to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and ensure that teachers are given copy of the MSAF receipt when turning in collections.**

**Person(s) Responsible:** Principal, Assistant Principal, and Treasurer

### **Management Response:**

The Principal has instructed the designated Assistant Principal to review the collections weekly to ensure that they are properly receipted, fully documented, timely deposited and the Collection/Deposit Log (FM-7249) to ensure that it is properly utilized and maintained. The Assistant Principal will promptly notify the Principal of any discrepancies.

The Treasurer was directed to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and to issue teachers a copy of the MSAF receipt when turning in collections to the Treasurer for deposit. This process will be overseen by the designated Assistant Principal.

**Person(s) Responsible:** South Region Office Administration

### **Management Response:**

The South Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with the collection process, receipting and depositing of monies generated from Internal Fund activities and *Weekly Briefing No. 5164* regarding the Policies and Procedures on the Safeguarding Funds at Schools and implementing utilization of the Collections/Deposits Log (FM-7249).

The South Region Office Financial/Business Operations Director instructed the Principal to devise a plan for monitoring the collection, receipting and depositing functions of the school.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Palmetto Senior High School.



**8. School Non-Compliant With  
Full-Time Equivalent FTE  
Records And Procedures  
Resulted In Potential  
FTE Funding  
Disallowances  
*Cutler Bay Middle***

Our review of a sample of FTE and Teacher Certification records in 2014-2015 found discrepancies in the areas of ESOL, Special Education (SPED), Gifted and Teacher Certification. Based on our samples, non-compliance issues identified in some of these areas could have generated a combined funding disallowance to the District totaling approximately \$12,000. Details are as follows:

*Results Of Review Of ESOL Records*

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency ELL/LEP Student Plan* [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and the *Home Language Survey* [FM-5196] must be properly completed and filed in the ESOL Program Record Folder. Also, the Florida Comprehensive English Language Learning Assessment (CELLA) test score report must be included in the LEP folder.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. All meetings should take place and documentary evidence must be filed by the time that the Full-Time Equivalent (FTE) survey period arrives. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an *English Language Learner* or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated *prior to the corresponding FTE survey period*.

During the February 2015 FTE Survey records, the school reported 109 students enrolled in the ESOL program. A review of a sample of 11 ELL student folders disclosed the following discrepancies in nine student folders (82%). Based on the samples, non-compliance issues identified in the ESOL area could have generated a funding disallowance to the District of approximately \$2,400. We found that:

- 8.1. In five instances, class schedules for secondary students were not evident in the LEP folder, or the schedules were dated *after the FTE survey period*.
- 8.2. In three instances, the *Home Language Survey* [FM-5196] was incomplete. Specifically, the forms were not signed and/or dated.
- 8.3. In two instances, the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) Test Report results were not evident in the student folder.
- 8.4. In one instance, the student was enrolled in the ESOL program for more than six semesters; however, the student folder did not show documentary evidence that a LEP Committee had convened to consider the student's extended placement in the ESOL program.
- 8.5. In one other instance, the ELL/LEP Student Plan [FM-4650] was not signed and dated in a timely manner. Specifically, it was completed six months after entry date.

#### *Results Of Review Of Special Education (SPED) Records*

The *Matrix of Services* form (referred to as a *Matrix*) is used to determine the cost factor for exceptional education students. The cost factor calculation in the *Matrix* is based on the decisions made by the *Individual Education Plan* Committee, which are documented on the *Individual Education Plan* (IEP).

The school reported 339 SPED students during the February 2015 FTE Survey Period. Our review of a sample of 34 Special Education (SPED) records, of which 26 were Exceptional Education and eight were Gifted student folders disclosed non-compliance with District policy in four of the 34 student folders sampled (12%). Based on the samples, non-compliance issues identified in the SPED area could have generated a funding disallowance to the District of approximately \$5,200. We found that:

- 8.6. In one instance, the file for one SPED student did not contain an *IEP* or *Matrix* form that was valid for the reporting survey. This student was reported at a funding level of 254. A *Matrix* was prepared at a later date by the school. Based on documents provided by the school, this student initially transferred from another school, and determination between the parties as to the school responsible for preparing this document delayed the process.

- 8.7. In three instances, the Gifted student file did not contain an EP that was valid for the FTE reporting period.
- 8.8. The *Eligibility Data Element* for two of the Gifted student folders sampled was not evident in ISIS.

#### *Results Of Review Of Teacher Certification Records*

According to the *FTE-In-Brief 2012-2013* issued by the District's Federal & State Compliance Office, the schools are responsible for ensuring that all teachers are certified in their assigned subject areas, and that teachers are assigned to teach in accordance with certification requirements.

The *Agreement for Teachers Accepting Out-of-Field Waiver Assignments* [FM-5784] is signed by a teacher to acknowledge that he/she is teaching in an out-of-field assignment and that he/she must take a minimum number of courses towards certification in that field. In the case of *Out-of-Field Waiver Assignments*, these waiver(s) are submitted to the District for approval before FTE Survey week. A copy of the waiver must be maintained in the school files. In addition, Out-of-Field notification letter to parents must be sent home before FTE survey period.

- 8.9. Our sample of ten teachers selected for a review of certification records disclosed five instances of non-compliance with District policy. In all five instances, teacher certification in the field covering assigned subject area courses could not be verified. Specifically, the *Agreement for Teachers Accepting Out-Of-Field Waiver Assignments* [FM-5784] was not on file at the school; and we could not locate the School Board approval to teach out-of-field for the teachers sampled. Furthermore, two of these five instances could have resulted in potential funding disallowances to the District of approximately \$4,400, because the level of funding corresponding to the students enrolled in the classes taught by these two teachers would be affected.

#### **RECOMMENDATIONS**

- 8.1. **The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**
- 8.2. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.**

- 8.3. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, the Principal or administrative designee should monitor the SPED area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed.
- 8.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding Teacher Certification requirements, the Principal or administrative designee should ensure that out-of-field waivers are maintained on file at the school site; and that teachers are assigned to teach in accordance with certification requirements. In addition, the Certification Department should be notified and school files should be updated with the most current certification information. Going forward, the school administration should strengthen monitoring over this area.

**Person(s) Responsible:**

**Principal, Assistant Principal,  
ELL Chair, ELL Teachers,  
Program Specialist, SPED Teachers**

**Management Response:**

On Thursday, October 29, 2015, the Principal met with the ELL Chairperson to delineate her responsibility in completing LEP plans. In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal reviewed the 2014-2015 *Opening of School Guidelines and Procedures* and the *District Plan for Services to English Language Learners (ELL)* with the Assistant Principal and the ELL Chair on Tuesday, November 3, 2015. In addition, the Chair will attend Professional Development sessions offered by the Bilingual Education and World Languages Department.

The Principal and Assistant Principal held an ELL compliance meeting on Friday, November 6, 2015 with all Administrative, Instructional, and Clerical Personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

The Principal advised the Assistant Principal, ELL Chair, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP plans are signed and dated appropriately. Furthermore, the team was instructed to review the cumulative records with focused attention to detail and accuracy. Specifically, the instructions were to ensure that the secondary student schedules are printed and filed prior to the FTE period; *Home Language Surveys* are properly completed, signed and filed; CELLA Test Reports are received and filed; and LEP Committee meetings of

students enrolled in the program over six semesters take place in a timely manner and results are properly documented in the LEP folders.

The Principal will continue to monitor the documentation of ELL students. The Principal directed the team to continue periodic in-house reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. The in-house reviews will take place prior to each FTE period.

In order to reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, on Monday, November 02, 2015 the Principal contacted the Executive Director for the SPED Program to secure Professional Development for the SPED Teachers and the School's LEA's. Professional Development has been scheduled for December 10, 2015.

Furthermore, the Principal met with the Assistant Principal on November 3, 2015 and reviewed Section D of the Local Education Agency (LEA) implementation Guide. The Principal provided a copy of the aforementioned document to the Program Specialist, SPED Teachers, and the Data Input Specialist for their review. On Wednesday, November 4, 2015, the Principal and the Assistant Principal met with Program Specialist, SPED teachers, and Data Input Specialist (DIS) to review the recordkeeping requirements of SPED records.

The Assistant Principal will review the student folders prior to each FTE period to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS and that all necessary records are properly completed, signed and filed.

The Principal will request a report of students with Matrix 254 and 255 prior to each FTE period and will make sure that the information on ISIS and the Matrix of Services is correct. Following each meeting when a student's Matrix of Services or IEP is created or updated, the Assistant Principal will make certain that the information being provided to the Data Input Specialist (DIS) is correct. The DIS will initial that it has been inputted. Any paperwork required to be placed in the Cumulative Record of the student will be placed in the file immediately thereafter. The Program Specialist will then confirm that the information reported on the Matrix of Services, ISIS and the Cumulative Record are all correct according to the actual services the student receives.

In order to ensure compliance with the guidelines and procedures for Teacher Certification requirements, the Principal will ensure that out-of-field waivers are maintained on file. Additionally, the Principal will ensure that teachers are assigned to teach in accordance with the certification requirements. The Assistant Principal will review teacher certification file on a quarterly basis and ensure that the proper documentation is on file.

**Person(s) Responsible:****South Region Office Administration****Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Special Education Students to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Special Education Department to conduct mini-reviews each semester for compliance in selected areas of the ELL Program.

Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:****School Operations Administration****Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Cutler Bay Middle School.

**9. Inadequate Recordkeeping,  
Documenting And  
Reporting Of Payroll  
*Leisure City K-8 Center***

The *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department establish the procedures for documenting, recording and reporting the payroll. According to the *Manual*, the Daily Payroll Attendance Sheet is one of the most important documents in the payroll process. Accordingly, its accuracy and completeness are of paramount importance to school site administration that would customarily rely on this document to certify that the payroll information being reported is correct.

General payroll procedures require that part-time and full-time employees reflect their attendance on the attendance rosters *on a daily basis*.

At this school, the Principal supervises and approves the payroll. The review of the payroll sign-in procedures corresponding to the payroll in effect during our audit visits in May 2015 (under a former administration), and again on August 2015 (under the current administration) disclosed the following departures from standard procedures. During our physical observation of payroll sign-in procedures we noted that:

- 9.1. In 13 instances (six full-time instructional and seven full-time non-instructional), employees who were at work on a particular day or who had worked the previous day did not indicate their presence on the Daily Payroll Attendance Sheets. The total number of days amounted to 16 days.
- 9.2. In eight instances, part-time employees (security monitor and cafeteria staff) were not consistently indicating the time in/time out upon arrival/departure on the Daily Payroll Attendance Sheets. The total number of days amounted to nine days.
- 9.3. Our follow-up visit on August 17, 2015 disclosed four instances where full-time non-instructional and part-time employees were signing on the Daily Payroll Attendance Sheets *ahead of their scheduled time*. The total number of days amounted to four days.

**RECOMMENDATIONS**

***To ensure that payroll is properly recorded, reported and documented, we make the following recommendations to the new Principal:***

- 9. Going forward, the school administration should discuss the payroll sign-in procedures with the entire staff for awareness and understanding of the payroll requirements; and should institute the periodic review of the payroll sign-in procedures to ensure that staff is compliant with the requirements.**

**Any instances of non-compliance noted during the periodic reviews should be immediately discussed with affected staff for resolution and corrective action.**

**Responsible Person(s):** Principal, Assistant Principal and Payroll Clerk

**Management Response:**

On November 4, 2015, the Principal held a faculty meeting to review and discuss the *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department. Specifically, the Principal met with the faculty and staff to review the appropriate procedure for signing in and out. The principal or designee and payroll clerk will monitor the sign-in sheets daily. This reviewing process will begin fifteen minutes after the start of the regular work day each day. If it is noted that employees are not signing in in a timely manner or signing in and out inappropriately, a verbal warning will be given. Repeated failure to comply with appropriate sign in/sign out procedures will be handled in accordance with contractual guidelines.

**Responsible Person(s):** South Region Office Administration

**Management Response:**

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.

The Financial/Business Operations Director will conduct periodic site-reviews to ensure compliance with all the guidelines found in the *Payroll Processing Procedures Manual* to make sure that the daily and hourly payrolls are accurate.

**Person(s) Responsible:** School Operations Administration

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Leisure City K-8 Center.



**10. School Non-Compliant With  
Full-Time Equivalent (FTE)  
Student Records Resulted In  
Potential FTE Funding  
Disallowances  
*Leisure City K-8 Center***

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency* ELL/LEP Student Plan for elementary students [FM-4649] and for secondary students [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and the *Home Language Survey* [FM-5196] must be properly completed and filed in the ESOL Program Record Folder. A copy of the *Notice to Parents/Guardians of English Language Learner (ELL) Students* for elementary students [FM-6576] and for secondary students [FM-6577] must be maintained on file. Also, the Florida Comprehensive English Language Learning Assessment (CELLA) test score report must be included in the LEP folder.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. All meetings should take place and documentary evidence must be filed by the time that the Full-Time Equivalent (FTE) survey period arrives. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an *English Language Learner* or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated current school year must be included in the folder and must be dated *prior to the corresponding FTE survey period*.

During the February 2015 FTE Survey records, the school reported 234 students enrolled in the ESOL program. A review of a sample of 23 ELL student folders disclosed the following errors/discrepancies in 21 student folders. The discrepancies included two student cumulative folders that were part of the sample; however, according to the

school, they had not received them from the prior school and could not be located. The aggregate errors/discrepancies could have generated a funding disallowance to the District totaling approximately \$2,700. Details are as follows:

- 10.1. In 17 instances, the ELL/LEP Student Plan was not updated to reflect the 2014-2015 school year.
- 10.2. In 17 instances, the *Notice to Parent's/Guardians of English Language Learners (ELL)* was not evident.
- 10.3. In four instances, the student was enrolled in the ESOL program for more than six semesters; however, the student folder did not show documentary evidence that a LEP Committee had convened to consider the student's extended placement in the ESOL program.
- 10.4. In four instances, the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) Test Report results were not evident in the student folder.
- 10.5. In five instances, the *Home Language Survey* was either not evident or was incomplete.
- 10.6. Initially, class schedules for secondary students were not evident in the LEP folder. Schedules were provided by the school after-the-fact.

## RECOMMENDATION

10. **In order to ensure future compliance with District guidelines, and to reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, we recommend that ESOL staff and administration review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders in a timely manner and before the FTE week.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
Registrar and ESOL Teacher**

**Management Response:**

On August 18, 2015, the Principal met with team members comprised of the Assistant Principal, ESOL Chairperson, and the Registrar, to review all incoming or new registrations to ensure compliance with ELL program guidelines. Specific procedures were delineated to ensure that the *Home Language Survey Form* (FM-5196), *Student WLEP Plan* (FM-4649) for elementary students or (FM-4650) for secondary students, and the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* (FM-6576)/(FM-6577) are properly completed and maintained in the LEP folders. Instructions

to team members included ensuring that all CELLA Test Report results are received and filed in the folders, and schedules of secondary students are printed in a timely manner and filed.

The team has also reviewed procedures for conducting LEP committee meetings for all students with six semesters or more in ESOL program. The team will continue to work on a quarterly basis to review cumulative records and LEP folders to ensure accuracy. The Principal will schedule in-house reviews of randomly selected cumulative folders and records for ELL students on a quarterly basis, prior to FTE survey periods, to ensure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. Neighboring schools will also be visited by stated faculty, in order to review and observe best practices with record keeping. Furthermore, in June 2015, all administrators attended an ESOL compliance training session.

**Person(s) Responsible:**

**South Region Office Administration**

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Directors. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Leisure City K-8 Center.

**11. School Non-Compliant With  
Full-Time Equivalent FTE  
Records And Procedures  
Resulted In Potential  
FTE Funding  
Disallowances  
*Miami Senior***

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency (ELL/LEP)* Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students. In addition, the *Home Language Survey* [FM-5196] and copies of the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6577] must be properly completed and filed in the ESOL Program Record Folder. Also, the Florida Comprehensive English Language Learning Assessment (CELLA) test score report must be included in the LEP folder.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an *English Language Learner* or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated *prior to the corresponding FTE survey period*.

During the February 2015 FTE Survey, the school reported 475 students enrolled in the ESOL program. A review of a sample of 40 ELL student folders disclosed the following discrepancies in 38 student folders (95%). Based on our samples, non-compliance issues identified in the ESOL area could have generated a funding disallowance to the District totaling approximately \$7,700. Details are as follows:

- 11.1. In 28 instances, the ELL/LEP Student Plan was reviewed, as indicated by the teacher/designee's signature and date, *prior* to the date indicated in the *Program Participation* section of the LEP Plan. In addition, in one instance, the *Program Participation* section was dated *prior* to the ESOL's assessment and program placement date.
- 11.2. In 22 instances, the *Notice to Parents/Guardians of English Language Learners (ELL)* [FM-6577] letter was not evident, not dated; or the second page (which included the Principal's signature) was not evident.
- 11.3. In 11 instances, the Individual LEP Student Plan [FM-4650] was incomplete. Specifically, five of these Plans were not signed and/or dated. In addition, in one instance, a student's 2014-2015 ELL/LEP Student LEP Plan was not evident.
- 11.4. In five instances, the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) test results were not evident in the student files.
- 11.5. In four instances, the student folder did not show documentary evidence that a LEP Committee had convened to consider a student's extended placement in the ESOL Program.
- 11.6. In three other instances, the *Home Language Survey* [FM-5196] was not properly completed. Specifically, the forms were not signed and/or dated.
- 11.7. In one instance, the class schedule for secondary students was not evident in the student file.
- 11.8. In one other instance, the initial ESOL test results were not evident.

## **RECOMMENDATIONS**

- 11.1. **The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**
- 11.2. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**

**Person(s) Responsible:****Principal, Assistant Principal and ELL Chair****Management Response:**

On October 28, 2015, the Principal met with the Assistant Principals, ESOL Department Chairperson and the Registrar, to review the pre-audit findings and discuss methods for corrective action. The Principal reviewed the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan for Services to English Language Learners* to ensure compliance with the policies and procedures set forth in these documents.

The ESOL Department Chairperson will incorporate the use of the Department of Bilingual Education and World Languages Checklist when reviewing ESOL student records. Upon registration of students, if any errors are detected, the registrar will contact the Division of Bilingual Education and World Languages to correct and update. An Assistant Principal has been assigned direct responsibility for reviewing ESOL records on a monthly basis. The findings of these reviews will be reported out during regularly scheduled leadership team meetings and corrective action will be taken with records out of compliance. A training session will be created and completed with Teachers utilizing the WEB LEP (WLEP) Application to ensure records are properly maintained. The LEP folder will be checked upon arrival for all required information, and any missing information will be acquired, as necessary. The LEP folder will be reviewed by the ESOL Chairperson and Assistant Principal three times per year to assure that all documentation is in compliance with State and District guidelines, policies and procedures. The Principal will randomly check these records on a quarterly basis.

**Person(s) Responsible:****Central Region Office Administration****Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Senior High School.

## **12. Yearbook Activity Not In Compliance *Ronald W. Reagan Senior***

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*, establishes that the purchase of yearbooks by students is entirely optional, and in senior high schools, *the sales price should be as close to the average cost of the yearbook as possible*<sup>4</sup>. The yearbook activity must be sponsored by the school with a faculty adviser/sponsor designated to oversee the production and sales activity, and ascertain that it is conducted in accordance with prescribed policies and procedures.

The publishing costs for the yearbook are mainly financed by the sale of the yearbooks and advertising. The guidelines further advise the yearbook sponsor to review the yearbook order from the prior year and number of books sold before specifying the number of copies to order for the next year's bid. In addition, the preparation and maintenance of the yearbook records, particularly the monthly financial reports, is the responsibility of the yearbook sponsor. These include records of yearbook advertising, log of yearbook deposits, Monthly Operating Reports [FM-1030] and Distribution Report [Fm-1031]. In addition, reports related to any online sales must be on file at the school. All yearbook financial records and reports must be submitted to the school Treasurer prior to the end of the school year, to be retained for audit purposes.

The following discrepancies were noted during the review of the 2013-2014 and 2014-2015 yearbook activity:

- 12.1. For the 2013-2014 fiscal year, the school received 537 yearbooks; however, only sold 385 for a leftover balance of 152 unsold books, or 28% of total books received. Of the unsold amount, the school used 35 books to give away as complimentary and for other school-related purposes, and reported six yearbooks as damaged. This resulted in 111 unsold yearbooks at year-end with an approximate cost of \$5,300.

For the 2014-2015 fiscal year, the school received 560 yearbooks; however, only sold 330 for a leftover balance of 230, or 41% of total books received. Of this total, the school used 23 books to give away as complimentary and for other school-related purposes, and reported three yearbooks as damaged. This resulted in 204 unsold books at year-end with an approximate cost of \$7,500.

We reviewed the yearbook order for the 2015-2016 fiscal year and noted the school had signed a contract with the yearbook vendor to print 525 yearbooks. At our request, the school contacted the vendor and decreased the order for the 2015-2016 fiscal year to

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<sup>4</sup> Board Policy 6152-*Student Fees* establishes general guidelines over student fees and cautions against accumulating excessive carry-over balances from excessive charges. Yearbook charges are included in this Board Policy.



400 yearbooks. In addition, the school assigned a new Yearbook sponsor to oversee the activity.

- 12.2. The Yearbook Monthly Operating Reports and Distribution Reports for both years disclosed errors. In addition, the Monthly Operating Report for June 2014 was not prepared by the school.
- 12.3. The school participated in the sale of on-line yearbooks using the vendor's website. However, the reports related to the on-line sales for both fiscal years were not on file. The vendor provided these documents during the audit at our request.
- 12.4. For both the 2013-2014 and 2014-2015 fiscal years, several invoice charges could not be traced to the yearbook bid or addenda to the bid. In addition, for the 2014-2015 fiscal year, the number of yearbooks ordered, the individual cost of the yearbooks, and the individual cost for extra copies charged by the vendor in the yearbook invoice did not agree with the quantity and costs agreed upon in the yearbook bid. The review of the 2013-2014 yearbook payments disclosed an overpayment, while in 2014-2015 the school had an underpayment for a similar amount.
- 12.5. During both fiscal years, the average sales price of the yearbook, which we calculated at approximately \$62, exceeded the cost of the yearbook by \$15 and \$25 for 2013-2014 and 2014-2015, respectively.

## **RECOMMENDATIONS**

- 12.1. Discuss the yearbook activity with the new sponsor and ensure he/she is aware of prior results to plan the strategy for the coming year.**
- 12.2. Given the noted decrease in the students' demand for yearbooks during the past two years, reassess the yearbook activity for the coming year; and strengthen oversight of the sales campaign in order to increase sales and reduce the number of unsold books in the coming year.**
- 12.3. Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed.**
- 12.4. The school should ensure that online reports are filed with the school records.**
- 12.5. Ensure that the charges in the yearbook invoice agree with those stipulated in the yearbook bid and addenda.**

**12.6. Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
Yearbook Sponsor, and Treasurer**

**Management Response:**

The Principal conducted a meeting with the Assistant Principal, Treasurer and new Yearbook Sponsor to discuss audit results and develop a plan for the current school year. In addition, Section IV, Chapter 6 of the Manual of Internal Fund Accounting was reviewed to ensure compliance with all policies and procedures.

The Principal and the Yearbook Sponsor reduced the number of books ordered for the current school year to 400. Based on previous year's sales, this number would be more in line with expected sales.

The Principal will meet with the Treasurer and the Yearbook Sponsor monthly to monitor the number of books sold and to ensure compliance with the Yearbook Monthly Operating Reports.

The Principal, Treasurer and the Yearbook Sponsor will review all invoices and compare them to the bid on file. Any information that does not correlate will be documented and the yearbook vendor contacted in order to ensure corrections are made.

The Principal, Treasurer and the Yearbook Sponsor will review the current, and future, yearbook cost and bring the average selling price closer to cost.

**Responsible Person(s):**

**Central Region Administration**

**Management Response:**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section IV, Chapter 6 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures as they pertain to the school yearbook.

The Central Region Office Financial/Business Operations Director instructed the Principal to devise a plan for monitoring the number of yearbooks ordered, the cost of the yearbook, the Monthly Operating Reports (FM 1030) and Distribution Report (FM 1031).

As a result of these audit findings, the following support activities will be implemented for all schools at the Region level:

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend Money DOES Matter Support Program.
- The Central Region Office Financial/Business Operations Administrative Director in collaboration with the appropriate district office will coordinate a support system for the Principal and designee to ensure that all after school records are properly maintained.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Ronald W. Reagan/Doral Senior High School.

**13. School Non-Compliant With  
Full-Time Equivalent FTE  
Records And Procedures  
Resulted In Potential  
FTE Funding  
Disallowances  
*Citrus Grove Middle***

Our review of a sample of FTE and Teacher Certification records in 2014-2015 found several discrepancies in the ESOL and Special Education (SPED) areas. Based on our samples, non-compliance issues identified in these areas could have generated a combined funding disallowance to the District totaling approximately \$12,100. Details are as follows:

*Results of Review of ESOL records*

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency (ELL/LEP)* Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students. In addition, the *Home Language Survey* [FM-5196] and copies of the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6577] must be properly completed and filed in the ESOL Program Record Folder. Also, the Florida Comprehensive English Language Learning Assessment (CELLA) test score report must be included in the LEP folder.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. All meetings should take place and documentary evidence must be filed by the time that the Full-Time Equivalent (FTE) survey period arrives. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an *English Language Learner* or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the

folder and must be dated current school year must be included in the folder and must be dated prior to FTE week.

During the February 2015 FTE Survey, the school reported 229 students enrolled in the ESOL program. A review of a sample of 23 ELL student folders disclosed discrepancies in *all* student folders (100%). Based on our samples, non-compliance issues identified in the ESOL area could have generated a funding disallowance to the District totaling approximately \$6,900. We found that:

- 13.1. In six instances, students were enrolled in the ESOL program for more than six semesters; however, the individual student folders did not show documentary evidence that a LEP Committee had convened to consider the student's extended placement in the ESOL program.
- 13.2. In five instances, the ESOL program's entry date reported in the student's ELL/LEP Student Plans was prior to the date of initial assessment.
- 13.3. In four instances, the Individual ELL/LEP Student Plan [FM-4650] was not properly completed or a Plan was not evident in the files. In those instances where a Plan was on file, the discrepancies referred to the completion of the *Program Participation Section* or missing a teacher's signature.
- 13.4. In two instances, the class schedule for secondary students was not evident in the student files. In 14 other instances, the schedule was printed *subsequent* to the February 2015 FTE Survey period.
- 13.5. In two instances, the *Notice to Parents/Guardians of English Language Learner (ELL) Students* [FM-6577] were not evident. In four other instances, the forms were not dated properly.
- 13.6. In one instance, the *Home Language Survey* [FM-5196] was not properly completed. Specifically, the parent's signature and date were missing.
- 13.7. In one other instance, the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) test results were not evident in the student files. For another student, the date on the test material did not agree with the test date on the ELL/LEP Student Plan.

#### *Result of Review of Special Education (SPED) Records*

The *Matrix of Services* form (referred to as a *Matrix*) is used to determine the cost factor for exceptional education students. The cost factor calculation in the *Matrix* is based on the decisions made by the Individual Education Plan Committee, which are documented on the *Individual Education Plan (IEP)*.

The school reported 212 SPED students during the February 2015 FTE Survey Period. Our review of a sample of 21 SPED records, of which 11 were Exceptional Education and ten were Gifted student folders disclosed non-compliance with District policy in three of the 21 student folders sampled (14%). We found that:

- 13.8. In three instances, the Individual Education Plan (IEP) did not have the required signatures. *One of these three students was reported at a funding level of 254.* Consequentially, regarding this particular student, the potential funding disallowance resulting from non-compliance with documentation requirements was calculated at approximately \$5,200. Although the documentation errors/omissions identified in the other two IEPs did not result in potential funding disallowances (because the level of funding of these students was not affected) they still merit the attention of the school administration to ensure compliance with District policy going forward.

## **RECOMMENDATIONS**

- 13.1. **The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**
- 13.2. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.**
- 13.3. **To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, the Principal or administrative designee should monitor the SPED area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed. Additional effort should be invested in the review of documentation corresponding to students placed in levels 254 and 255.**

**Person(s) Responsible:**

**Principal, Assistant Principal  
and ESOL/SPED Staff**

**Management Response:**

On September 11, 2015, the Principal held a meeting with the Administrators, ESOL Chairperson, SPED Program Specialist and Registrar to review and discuss audit findings as well as policies and procedures as it relates to each program. The Principal has directed the ESOL Chairperson to conduct a review of all ESOL records utilizing the ESOL Records Folder Checklist located on the Bilingual Education Website. The

Principal has also directed the SPED Program Specialist to conduct a review of all SPED records utilizing the *Exceptional Student Education Compliance Manual* located on the Exceptional Student Education Website. The appropriate corrections will be made to bring all records into compliance.

The Principal, Assistant Principal, SPED Program Specialist and ESOL Chairperson will conduct an in-school mini review each semester to ensure that all records are in compliance. In addition, the Principal or administrative designee will monitor the SPED area and Student folders on a regular basis to ensure that IEP and EP conference are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed. Special emphasis will be given to records corresponding to students placed in levels 254-255.

**Person(s) Responsible:** **Central Region Office Administration**

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Special Education Students to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Special Education Department to conduct mini-reviews each semester for compliance in selected areas of the programs. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:** **School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Citrus Grove Middle School.

**14. School Non-Compliant With  
Full-Time Equivalent FTE  
Records And Procedures  
Resulted In Potential  
FTE Funding  
Disallowances  
*Kinloch Park Middle***

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency ELL/LEP Student Plan* [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students. In addition, the *Home Language Survey* [FM-5196] and copies of the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6577] must be properly completed and filed in the ESOL Program Record Folder. Also, the Florida Comprehensive English Language Learning Assessment (CELLA) test score report must be included in the LEP folder.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. All meetings should take place and documentary evidence must be filed by the time that the Full-Time Equivalent (FTE) survey period arrives. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an *English Language Learner* or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated current school year must be included in the folder and must be dated *prior to the corresponding FTE survey period*.



During the February 2015 FTE Survey records, the school reported 340 students enrolled in the ESOL program. A review of a sample of 34 ELL student folders disclosed the following discrepancies in 27 student folders (79%). Based on the samples, non-compliance issues identified in the ESOL area could have generated a funding disallowance to the District of approximately \$7,600. We found that:

- 14.1. In 19 instances, the individual ELL/LEP Student Plan [FM-4650] was not properly completed or not signed/dated. Specifically, in 12 instances, the *Program Participation* section was not completed. In five other instances, the discrepancies referred to the program entry date, which *preceded* the initial assessment date. In the remaining two instances, the ELL/LEP Plan was not signed or dated by the teacher.
- 14.2. In six instances, the student was enrolled in the ESOL program for more than six semesters; however, the student folder did not show documentary evidence that a LEP Committee had convened to consider the student's extended placement in the ESOL program.
- 14.3. In four instances, the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) Test Report results were not evident in the student folder.
- 14.4. In four instances, the *Notice to Parents/Guardians of English Language Learners (ELL)* [FM-6577] was not properly completed or a copy was not evident in the files.
- 14.5. In one instance, the 2014-2015 student class schedule did not include the date when it was printed. This date is required.

## RECOMMENDATIONS

- 14.1. **The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the ELL/LEP Plans.**
- 14.2. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
ESOL Department Chair, Registrar**

**Management Response:**

The Principal met with the Assistant Principals, ESOL Department Chair and Registrar to review the policies and procedures as they pertain to maintaining of ESOL Records. An updated check list will be provided and incorporated in every LEP folder. The ESOL Department Chair will also incorporate the Department of Bilingual Education and World Languages Checklist as a secondary check of student records. Upon registration of students, if any errors are detected the registrar will contact the Division of Bilingual Education and World Languages to correct and update. A professional development session will be created for Teachers utilizing the WEB LEP (WLEP) Application to ensure records are properly maintained.

The Principal, Assistant Principal and ESOL Chair will articulate with feeder pattern elementary schools to coordinate the transfer of all necessary paperwork to ensure cumulative records are accurate. The LEP folder will be checked upon arrival for all required information, and any missing information will be acquired from the elementary schools as necessary. The LEP folder will be reviewed by the ESOL Chair and Assistant Principal three times per year to assure that all documentation are in compliance with State and District guidelines, policies, and procedures. The Principal will randomly check LEP records at least once each semester to ensure compliance with policies and procedures.

**Person(s) Responsible:**

**Central Region Office Administration**

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Kinloch Park Middle School.

**15. Inadequate Controls  
Over Receipts and Deposits  
*Citrus Grove Elementary***

Section II, Chapter 2 and Chapter 3 of the *Manual of Internal Fund Accounting* provide the guidelines for documenting the receipts and deposits associated with internal funds activities. Specifically, Section II, Chapter 2 states that money collected by school employees, regardless of the amount, must be submitted to the treasurer, or back-up designee, on the same day as collected.

At the point of collection, money handled by or coming into direct custody of a school employee must be documented, at a minimum, in a *Recap of Collections* [FM-1004] form and submitted to the school treasurer for deposit. In addition to a *Recap of Collections* form, individual collections of \$15 or more must also be supported by issuing official school board forms/receipts. For this purpose, schools generally use the Official Pre-numbered Official Teacher's Receipt Book [FM-0976] Board of Public Instruction (BPI) Receipt.

Regarding the general procedures over the deposit of collections, the Office of the Controller updated the policies and procedures regarding the safeguarding of funds and the timelines for the deposit of funds in Weekly Briefing No. 5164, dated November 6, 2008. Pursuant to these procedures, in cases where the school does not engage the armored car service, as in the case of this school, monies collected must be deposited in the bank once collections exceed \$300. It is also required that at a minimum, a deposit must be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected. Procedures also require that the Collections/Deposits Log [FM-7249] be signed by the staff member responsible for verifying the amount of the deposit and by the administrator/designee responsible for this similar task upon placing the funds in the safe place and removing the funds from the safe place.

*A similar matter regarding non-compliance with receipting and depositing procedures was discussed with the school administration in the previous two audits.*

Our review of a sample of receipts and deposits from both the 2013-2014 and 2014-2015 fiscal years disclosed that proper receipting and depositing procedures were not being adhered to by the school administration.

Details are as follows:

- 15.1. In eight instances from our sample of ten receipts, monies were not deposited in a timely manner. Delays ranged from a few days to seven days. These collections totaled approximately \$10,900.

- 15.2. During our review of the collection and deposit procedures, we noted that the Collections/Deposits Log [FM-7249] was not properly maintained for both the 2013-2014 and 2014-2015 school years. Specifically, the form was used to record *on a monthly basis* the deposits from the Before/After School Care Program, instead of its intended purpose to record ***all*** collections held overnight. Consequently, all the dates entered in the form corresponded to the deposit dates and not the dates when the monies were placed in the secure area for safeguarding purposes.

This form was completed towards the end of the month, instead of each day that a deposit was held overnight. During our audit fieldwork and for the most recent month on file, the Principal/Designee's signature was omitted on the form for all collections.

- 15.3. All field trip collections held overnight were not recorded in the Collections/Deposits Log and were not placed in the school's safe area. It is apparent that instructional staff in charge of the collections maintained custody of the funds and did not turn them for deposit in a timely manner.
- 15.4. According to school staff, office staff received payments from parents throughout the day when staff from the After School Care Program was unavailable. Consequently, official receipts were not always issued to parents/guardians at the time that collections were received.
- 15.5. Official teacher's (BPI) receipts were not always issued for individual student collections of \$15 or more. We noted this condition while reviewing deposit documentation from field trips to the circus and Jungle Island. In both instances, sponsors listed the name of the student and the amount collected on the *Recap of Collections* forms [FM-1004] that were submitted to the Treasurer. Total collections amounted to approximately \$6,200.

## RECOMMENDATIONS

- 15.1. **Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and recorded.**
- 15.2. **Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and timelines for turning in funds/posting collections.**
- 15.3. **Ensure that official receipts are issued for individual collections of \$15 or more.**

**15.4. Ensure that the Collections/Deposits Log [FM-7249] is completed and signed on a daily basis to document any monies left overnight/over the weekend pending deposit.**

**Person(s) Responsible:**

**Principal, Assistant Principal  
And Treasurer**

**Management Response:**

The Principal, Assistant Principal and Treasurer reviewed the Manual of Internal Fund Accounting Section II, Chapters 2 and 3 to ensure compliance with district policies and procedures. The Principal also modified policies and procedures and reviewed the updated procedures with the Assistant Principal and Treasurer to ensure that deposits are made in a timely manner.

In the event funds cannot be deposited, the Principal reviewed with the Assistant Principal and Treasurer the policies and procedures to be utilized as it relates to the Collections/Deposits Log [FM-7249]. All collections held overnight will comply with the policies and procedures stated in the Manual of Internal Fund Accounting Section II, Chapters 2 and 3.

The Principal and Treasurer will also review the policies and procedures involved with collection of funds with the entire faculty on an annual basis. Special emphasis will be given to making deposits on a daily basis, as well as the use of Official BPI Receipts when necessary. The Treasurer will report to the Principal any deposits that were not made in a timely manner. The Principal will take appropriate action with any individual who does not comply with these procedures.

The Principal and Assistant Principal will randomly review the internal fund activity on a bi-weekly basis to ensure compliance of policies and procedures stated in the Manual of Internal Fund Accounting are followed.

**Person(s) Responsible:**

**Central Region Office Administration**

**Management Response:**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section II, Chapters 2 of the Manual of Internal Fund Accounting to ensure compliance with the collection process, receipting and depositing of monies generated from Internal Fund activities and *Weekly Briefing No. 5164* regarding the Policies and Procedures on the Safeguarding Funds at Schools and implementing utilization of the Collections/Deposits Log (FM-7249).

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Citrus Grove Elementary School.

**16. Disbursements  
Non-Compliant  
With  
Guidelines  
*Melrose Elementary***

School Board Policy provides for the recognition of school system employees, students, school volunteers, or advisory committee members who have contributed outstanding and meritorious service in their fields or service areas. Accordingly, Section IV, Chapter 14 of the *Manual of Internal Fund Accounting* and School Board Policy 6680 *Awards and Incentives* contain the policies and restrictions regarding the purchase of awards, incentives and gift certificates using district revenue and internal funds. At the discretion of the Principal, awards/incentives may be awarded using internal funds, provided the award is not in the form of cash; the non-monetary award's unit cost or value does not exceed the maximum amount established by Board Policy; and it is educationally related (i.e., certificates, ribbons, trophies, etc.). *In the case of gift certificates, the Manual limits the certificates to those available from retail stores mainly offering educationally related materials and supplies such as: bookstores, office/school supply stores, and similar. Gift certificates from moderate fast-food restaurants are allowable, but should be limited to one certificate per student, faculty member, or volunteer. Meal gift certificates may only be purchased from Special Purpose revenue or from a Trust donation that allows food related expenditures.*

Our review of expenditures incurred during the 2013-2014 and 2014-2015 fiscal years disclosed the following departure from established procedures:

- 16.1. During the audit period, the school purchased a total of 37 gift cards/certificates to be used at various high-end restaurants, retailers, a coffeehouse chain store, and a supermarket chain store, some of which did not mainly offer educational materials and supplies. The school did not have a complimentary signed list of the recipients of the cards; therefore we could not verify their distribution. These charges were posted to the Trust Fund-Special Purpose account.

A total of seven reimbursement checks totaling \$960, dated between December 2013 and April 2015, were issued to the Principal or one of the Assistant Principals to reimburse them for the purchase of these gift cards. Cards varied in quantity, depending on the denomination: seven were for \$10, ten for \$15, two for \$20, ten for \$25, seven for \$50, and one for \$100.

Pursuant to our inquiries as to the purpose and whereabouts of the cards, the school administration stated that these gift cards were given to staff members as incentives at selected faculty meetings, where raffles were held in order to choose a teacher or staff member who met the criteria for performance excellence. It was also stated that teachers/staff members were nominated by



their peers and the school's leadership team to receive gift cards as incentives/awards.

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* establishes the general policy over Fund 9 purchases and account limitations. Specifically, this Section and Chapter includes a list of those expenditures allowed and not allowed to be made using Fund 9 revenue. Some of the unallowable expenditures include repair and maintenance charges of over \$500 per year.

- 16.2. During the 2013-2014 fiscal year, the school posted two disbursements to the Fund 9 account totaling approximately \$2,470 that were not compliant with the guidelines. In both cases, the charges were for the repair of equipment, which exceeded the maximum of \$500 allowed under Fund 9 guidelines for this type of expense.

Pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written vendor quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary disbursement documentation to show that the lowest quote was selected.

- 16.3. One of the Fund 9 charges noted above amounted to approximately \$1,950. However, three written quotations, including one from a certified minority enterprise, were not obtained.

## **RECOMMENDATIONS**

- 16.1. **The school administration should not engage in the practice of purchasing gift cards from retail stores or similar establishments that do not mainly offer educationally related materials and supplies.**
- 16.2. **A signed complimentary list should be maintained on file to document the distribution of gift cards purchased by the school and distributed to employees.**
- 16.3. **The school administration should discuss Fund-9 disbursement guidelines with staff for awareness and understanding of the requirements.**
- 16.4. **The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected.**

**Person(s) Responsible:** Principal, Assistant Principals, and Treasurer.

**Management Response:**

The Principal met with the Assistant Principals and Treasurer to review audit findings, specifically Section IV, Chapter 14 of the Manual of Internal Fund Accounting. They were instructed to conform to the recommendations provided by the Office of Management and Compliance Audits.

The following corrective actions will be implemented immediately in order to ensure compliance with the Manual of Internal Fund Accounting.

The administration of Melrose Elementary School will cease to purchasing gift cards from retail stores, or similar establishments that do not mainly offer educationally related materials and supplies. In the event of a purchase of a gift card for educational related materials and supplies, a signed complimentary list will be maintained on file to document the distribution of gift cards purchased by the school and distributed employees. The Principal will review and initial on the complementary list for every card distributed.

The Principal will review and discuss Section III, Chapter 9 of the Manual of Internal Fund Accounting as it related to Fund-9 disbursement guidelines with the Treasurer to ensure that all policies and procedures are being followed. The Treasurer will review all purchase orders and ensure that the procedures for acquiring three bids are being adhered to, if needed. The Principal, or designee, will review all purchase orders and ensure they have the required bids prior to authorizing the purchase.

**Responsible Person(s):** Central Region Administration

**Management Response:**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section IV, Chapter 14 of the Manual of Internal Fund Accounting and School Board Policy 6680 Awards and Incentives to ensure compliance with the policies and restrictions regarding the purchase of awards, incentives and gift certificates.

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section III, Chapter 9 of the Manual of Internal Fund Accounting to ensure compliance with the general policy over Fund 9 purchases and account limitations. The Principal will also develop and implement a plan for monitoring all Fund 9 purchases that will be reviewed and approved by the Central Region Office Financial/Business Operations Director.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Melrose Elementary School.

**17. Inadequate Management  
Of After School Care Program  
Resulted In Program Revenue  
Losses And Incomplete Records  
*Miami Shores Elementary***

The *Community School Procedures Manual* outlines the procedures for operating an After School Care/Community School Program at a school. Pursuant to established policy, school staff in charge of the fee collection process must receipt and deposit all fees, as well as maintain records of payments in the registration cards, following the guidelines in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* (since the collections are processed through the internal funds of the school).

This school is responsible for a Principal-Operated Fee-Based After School Care/Community School Program. The program operates based on a fee schedule approved by the District detailing the daily, bi-weekly and monthly charges for providing services. All fees collected for services rendered must be properly receipted in an official teacher receipt; and the receipt number and date, service period, total amount due and paid, agency payment (if subsidized child care), and any applicable comments must be recorded in the student registration card. In addition, the student's daily attendance must be recorded in the student attendance rosters on a daily basis.

Student registration cards and attendance rosters must be maintained and filed as part of the documentation of the program. Additionally, program staff in charge of managing the program is responsible for periodically reviewing the payments and student registration cards to ensure that fees are paid according to schedule and postings are up-to-date in the student registration cards.

The school must submit various monthly reports of student participation and attendance to the appropriate District office and to the child care agency responsible for subsidizing some of the participants' after school care program expenses.

At this school, there was a change of Principal in July 2013. During the 2013-2014 fiscal year and 2014-2015 fiscal year, the program at this school generated total revenues of approximately \$91,000 and \$98,300, respectively.

During the audit period, the school offered Before School Care, After School Care and Story Hour programs, as well as a small Summer Camp program. However, the Before School Care program closed mid-year during the 2014-2015 school year due to lack of student participation.

Prior to this audit, staff from the Office of Community Education and Before/After School Care Programs visited the school during October 2013, April 2014, and January 2015 to assess the program's records and procedures, and had noted similar conditions as

those identified during our audit and reported herein. The results of those assessments were reported to the school administration; however, most of the conditions noted remained uncorrected.

*We reviewed the records and activities of the Before/After School Care Program for the 2013-2014 and 2014-2015 fiscal years and found that the records were disorganized, incomplete, and contained errors for both fiscal years. Many of the records were not completed or not consistently maintained, which resulted in many errors and omissions in the recording and collection of the fees. In addition, the school did not always submit monthly attendance reports to the child care agency that subsidized a portion of the participants' fees and opportunities for reimbursements were missed.*

For the 2014-2015 fiscal year, based on the monthly reports, student enrollment fluctuated approximately between 100 and 115 students. Of the total enrollment, we identified 21 students that were eligible to receive financial assistance from the subsidizing child care agency. According to reports generated from the school's Free/Reduced Meals Program administered by the Department of Food and Nutrition, most of the program participants were eligible for free/reduced lunch. Students enrolled in this meals program received a \$1 discount from the regular fee of \$8 per day.

*We selected the 2014-2015 fiscal year to conduct a revenue analysis based upon monthly operating reports and subsidized child care reports. Based on these reports and ancillary documentation, we calculated that approximately \$103,600 in revenues should have been collected for services provided; however, actual collections amounted to only approximately \$83,000, for a shortfall of approximately \$20,600. Based on our tests and extensive review of the available records, it seems that the shortfall may be the result of inadequate controls over the management of the program, since nothing came to our attention to indicate a misappropriation of funds.*

Furthermore, regarding the operation of the program, we found that the fees generated by the program during the audit period were not sufficient to cover hourly payroll related to the program, which we considered excessive. As of June 30, 2015, this Principal-operated program, as reflected in the district's budgetary accounts, closed the year with a substantial deficit balance.

Details of the discrepancies with the program's recordkeeping procedures follow:

*Condition of the Records:*

- 17.1. *Payment records on the student registration cards were not properly completed.* The student payment information was not being directly recorded on the student registration/payment cards upon receipt of payment. Instead, after school care staff recorded the payment information in a computer-generated Excel spreadsheet. Subsequently, staff would post the information on the

registration/payment cards. This practice led to many omissions and errors when posting information to the registration/payment cards *after-the-fact*. *The condition regarding incomplete student registration payment cards was mostly noted in the 2014-2015 fiscal year records.*

- 17.2. *Fees were not collected for services rendered during a given service period.* From a test sample of 12 students, we identified four instances where the attendance roster listed the student's attendance; however, we were unable to find any payments from that student for that service period. In five other instances, student registration cards could not be located. In four other instances, the fee payment record section was not completely filled out to show all payments received. This sample included students participating in the various After School Care/Story Hour programs. Furthermore, there was no evidence on file to demonstrate any collection efforts from students who had not paid services in full. *We reported our findings to the school for follow-up.*
- 17.3. *Errors were noted in the payment section of the student registration cards.* Upon review of a significant portion of official receipts on file, we identified five instances where duplicate receipt numbers were written on the payment section of the cards for different students. These errors represented a shortfall of approximately \$180 in collections.
- 17.4. *Student registration cards were not signed to indicate review.* Aside from the inconsistent recordkeeping, the student registration cards for After School Care and Story Hour were not signed by the Principal or Principal's Designee for the 2013-2014 and 2014-2015 fiscal year at year-end. Some of these were signed at mid-year and some were not. In addition, as a general observation, the cards did not include comments indicating when the student changed from one program to another, or when the student withdrew from the program.
- 17.5. *Records were not readily available.* All program records including attendance records, subsidized child care reimbursements and monthly reports were not printed and maintained for the period of January to June 2015. Some of these records were re-created by staff at our request during the audit.
- 17.6. *Summer Camp records for the 2013-2014 fiscal year were not available.* This review was extended for the 2015 Summer Camp and the appropriate records were on file.
- 17.7. *Child care reimbursement fees were not consistently reported to the subsidizing child care agency by the school for services rendered.* Based on available records, we calculated that the school forfeited approximately \$3,400 in child care fee reimbursements for March and April 2015 that were never reported to

the subsidizing child care agency in time for reimbursements. At the time of the audit, the timeline for these reimbursements had expired.

### *Operation of the Program*

- 17.8. During the 2014-2015 fiscal year, the school hired up to 23 hourly-paid employees to supposedly operate the After School Care program. Regarding the operation of the program, 100% of the monthly fees collected by the school were submitted to the District as required by program procedures; and of this total, the District placed 75% in the school's budget to cover hourly payroll and related program expenditures. Our review of the After School Care/Community School's district budgetary and expenditure accounts/reports disclosed that the operation was unable to raise sufficient funds to cover hourly payroll related to the program. On June 30, 2015, the district budgetary accounts associated with these programs closed the year with a deficit balance of approximately \$(120,000). During the audit, the Principal submitted a plan to the Region Office delineating corrective action to eliminate/minimize the deficit. This deficit includes a deficit carryover from the prior year.
- 17.9. At the time of the audit and based on interviews of staff, of the 15 hourly-paid employees currently working at the school and paid by the After Care Program, we determined that seven of these employees were assigned to other work duties within the school that were not related to the program. These duties included: office staff, classroom assistants, the media center, and the cafeteria. Yearly payroll expenditures for these seven employees (excluding fringes) amounted to approximately \$68,500 for the 2014-2015 fiscal year.

### **RECOMMENDATIONS**

- 17.1. **The school administration should discuss student attendance/payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.**
- 17.2. **The school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at end of school year.**
- 17.3. **The school administration should direct the program manager to conduct periodic reviews of the cards to ensure that payments are accurately collected and reflected in the payment records.**

- 17.4. The school administration should ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 17.5. The school administration should strengthen oversight of the program and periodically meet with the After School Care Program manager to review the activity of the program.
- 17.6. The school administration should review budget accounts periodically to monitor balances and adjust hourly payroll expenditures of the program as needed.

**Person(s) Responsible:** Principal, Assistant Principal,  
Secretary/Treasurer, After School Care Manager,  
Community School Specialist

**Management Response:**

The Principal met with the Assistant Principal, After School Care Program Manager (ASC), Community School Manager (CS) and Treasurer and were instructed to conform to the recommendations provided by the Office of Management and Compliance Audits. The Principal reviewed the Community School Procedures Manual and Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

The following corrective actions will be implemented immediately in order to ensure compliance with the Manual of Internal Fund Accounting and the Community School Procedures Manual of Miami Dade County Public Schools.

The Principal met with the Assistant Principal, ASC Program Manager, CS Manager and Treasurer/Payroll Clerk immediately after the audit completion and reviewed the responsibilities of each staff member as delineated in the Manual of Internal Fund Accounting and the Community School Procedures Manual.

The Principal and Assistant Principal (designee) will monitor the program regularly to ensure that the procedures and guidelines are strictly adhered to.

On a monthly basis, the Principal along with the ASC Program Manager and CS Manager will conduct school-site reviews to ensure payments are being collected in a timely manner and posted accordingly with accurate amounts to avoid overpayments and underpayment of fees. Additionally, all overpayments or underpayments of fees will be settled by the end of the current school year and all non-payments documented. Any anomalies will be corrected immediately.



The Principal, or Assistant Principal, will complete random reviews of the registration cards periodically and the Principal will complete an official mid-year and end-of-year review of each student registration card to account for all enrollees in the program, finalized with an official signature. The student registration cards will be updated immediately for all circumstances including new or existing registrations for After School Care and/or Community Classes.

The Principal and Assistant Principal will conduct a monthly review to confirm the ASC Program Manager and CS Manager prepares and submits the reports to the subsidizing child care agency for reimbursement in a timely manner; and that all information related to subsidized child care reimbursements is accurate and reflected in the student's records.

Any discrepancies in these reports will be identified and reported to the agency in a timely manner. The Principal will review budget accounts monthly to monitor balances and adjust hourly payroll expenditures of the program as needed.

**Person(s) Responsible:** **Central Region Office Administration**

**Management Response:**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review the Community School Procedures Manual and Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

The Financial/Business Operations Director will solicit assistance from the Office of Community Education to conduct mini-reviews each semester for compliance in selected areas of the After School Care Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Person(s) Responsible:** **School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Shores Elementary School.

**18. Inadequate Management  
Of Fee-Paying Pre-Kindergarten  
Program Resulted In Program  
Revenue Losses  
And Incomplete Records  
*Miami Shores Elementary***

A Memorandum from the Division of Early Childhood Programs and the *Early Childhood Education Policies and Procedures Manual* establish the guidelines and procedures to follow when implementing Enrichment (fee-paying) Pre-Kindergarten (Pre-K) programs.

Pursuant to established policy, school staff in charge of the fee collection process must receipt and deposit all fees, as well as maintain records of payments in the registration cards, following the guidelines in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* (since the collections are processed through the internal funds of the school).

The program operates based on a fee schedule approved by the District detailing the daily, bi-weekly and monthly charges for providing services. All fees collected for services rendered must be properly receipted in an official teacher receipt; and the receipt number and date, service period, total amount due and paid, and any applicable comments must be recorded in the student registration card which must be maintained and filed as part of the documentation of the program.

Additionally, staff in charge of managing the program is responsible for periodically reviewing the payments and student registration cards to ensure that fees are paid according to schedule and postings are up-to-date in the student registration cards.

During the 2013-2014 and 2014-2015 fiscal years the Pre-Kindergarten Fee-Paying Program generated total revenues of approximately \$29,000 and \$29,400.

*Our review of 2013-2014 and 2014-2015 fiscal year records disclosed that the Parent Fee and Payment Records [FM-3170] (otherwise referred to as the student registration cards) for students who participated in the Fee-Paying Pre-K program were either missing, incomplete or contained errors. Based on student participation, we calculated the level of revenues generated by this program and identified unfavorable shortfalls of approximately \$2,800 and \$6,900 during the 2013-2014 and 2014-2015 fiscal years, respectively. Based on our review of the student registration cards and inquiries with school staff and administration, it appears that the shortfall resulted from inadequate controls over this program and school staff not enforcing the payment schedule, since nothing came to our attention to indicate that the shortfall was due to misappropriation of funds.*

Details of the discrepancies with the program's recordkeeping are as follows:

- 18.1. *Records were not properly completed or were missing.* Specifically for the 2013-2014 fiscal year, 18 students were enrolled in the fee-paying program and six Parent Fee and Payment Records [FM-3170] could not be located. For the 2014-2015 fiscal year, 17 students were enrolled in the fee-paying program and six Parent Fee and Payment Records [FM-3170] could not be located during the audit.

Upon our inquiries, the after school care staff member handling these records stated that *she was not aware that she had to record the payment information on the registration cards or enforce the payment schedule.* Consequently, payments were recorded in an Excel spreadsheet, which we reviewed during the audit, and noted that several payments were omitted from the spreadsheet. We performed an analysis of collections based on *all* copies of official teacher receipts issued to parents/guardians on file at the school.

*Regarding the missing records, according to after school care staff, there was a water spill and many documents were ruined and discarded. The Principal had no knowledge of this incident.*

- 18.2. *Student registration cards were not signed to indicate review.* For the 2013-2014 fiscal year, our review of student registration cards disclosed that they were not signed by the Principal/Designee to indicate that they were reviewed at year-end. For the 2014-2015 school year, student registration cards had not been signed by the Principal/Designee at mid-year and year-end.

We also noted that there was no administrator assigned to oversee the collection of funds; and no documentation on file to indicate efforts from the school to collect unpaid fees for the majority of students enrolled in the program. Regarding the operation of the program, 100% of the monthly fees collected by the school were submitted to the District as required by program procedures.

- 18.3. Recordkeeping procedures implemented by school administration resulted in several overpayments and underpayments which remained unresolved at the end of the school year. These ranged between a few dollars up to \$197. We discussed these discrepancies with the school administration for their follow-up.

## **RECOMMENDATIONS**

Similar to the recommendations for the After School Care Program, we recommend the following:

- 18.1. The school should discuss the Pre-K recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.**
- 18.2. The school administration should direct the program manager to conduct periodic reviews of the cards to ensure that payments are accurately collected and reflected in the payment records.**
- 18.3. The school administration should enforce the schedule for collecting payments and should timely follow up in those instances where parents are not making payments in a timely manner. Any instances of non-payment should be documented in the records.**
- 18.4. The school administration should follow-up on overpayments and underpayments.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
Secretary/Treasurer, Program Manager,  
Community School Specialist**

**Management Response:**

Due to the fact that the school has regained its Title I status, there is no longer a fee-based Pre-Kindergarten Program at this site. However, if there is a need for a fee-based program in the future, the corrective measures listed below will be implemented.

All responsible persons will review the District's Voluntary Prekindergarten (VPK) Program Registration Procedures/Guidelines for Fee-Supported Classrooms in Non-Title I Schools. The Community School Specialist will maintain all payment cards with fidelity during each payment period or as needed. Weekly reviews will take place by the Program Manager to ensure updates are made in a timely manner. Monthly reviews will be conducted by the Principal. Additionally, the Principal will follow up within a 48-hour period if overpayments or underpayments are identified.

All corrective measures will be implemented immediately to ensure there are no future audit exceptions.

**Person(s) Responsible:**

**Central Region Office Administration**

**Management Response:**

Due to the fact that the school has regained its Title I status, there is no longer a fee-based Pre-Kindergarten Program at this site. However, if there is a need for a fee-based program in the future, the following corrective measures will be implemented. The Principal will meet with staff to review the Memorandum from the Division of Early Childhood Programs and the Early Childhood Education Policies and Procedures Manual to ensure the implementation of policies and procedures when implementing Enrichment (fee-paying) Pre-Kindergarten (Pre-K) programs. In addition, the Principal will review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 41 of this report and page 158 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Shores Elementary School.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools/centers for the fiscal year(s) ended June 30, 2013, June 30, 2014 and/or June 30, 2015, on the cash basis of accounting, depending on the school/center audited;
- evaluate compliance by the schools/centers with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with *current payroll procedures*, as well as compliance with *current purchasing credit card program procedures*; and *certain information technology controls*;
- verify compliance by the schools/centers with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*; and
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

While the scope of our audits generally covered operations during the period of July 1, 2012 through June 30, 2013, July 1, 2013 through June 30, 2014 and/or July 1, 2014 through June 30, 2015 (depending on whether the audit scope was one, two or three-year audit at the individual school/center being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. The scope of the Title I Program audit was the 2013-2014 and 2014-2015 fiscal years for financial reporting purposes. FTE audits covered the February 2015 survey period (2014-2015 survey period 3).

Our procedures were as follows:

- reviewed written policies, procedures, and School Board Rules;
- interviewed school staff and performed analytical analysis of account balances;
- examined, on a sample basis, transactions, processes, supporting documentation and records;
- performed current physical inventories of property items with an individual cost of \$1,000 or more;
- follow-up on prior audit recommendations; and
- performed various other audit procedures as deemed necessary.

We conducted our audits in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures herein. An audit also includes assessing the accounting principles used and significant estimates made by the administration, if any. We believe that our audits provide reasonable basis for our opinion. The results of the property audits reported herein were in all material respects similarly conducted in accordance with GAGAS, with the exception of the continuing professional education requirement not followed by our property auditors.

### **Internal Control Matters**

Our audits also included an assessment of applicable internal controls and compliance with the requirements of School Board Policies, and related policies and procedures that would satisfy our audit objectives. In accordance with GAGAS, we are required to disclose and communicate to management control deficiencies identified during our audits. Other matters found not significant within the context of the audit objectives were communicated orally and/or in writing to management.

## BACKGROUND

### INTERNAL FUNDS

Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087, require annual audits of internal funds.

Internal funds are monies collected and expended within a school/center which are used for financing activities not otherwise financed by the School Board. These monies are collected in connection with school athletic events, fund-raising activities, various student activities and class field trips, after school care and Community School programs, gifts and contributions made by the band or athletic booster clubs, civic organizations, parent-teacher organizations, commercial agencies and all other similar monies, properties or benefits.

Each school/center administers their internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*.

Prior to spending internal funds, schools/centers invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2013, June 30, 2014 and June 30, 2015 was 0.50%, 0.62% and 0.64%, respectively.

Various fund-raising activities are conducted by independent, school-related organizations such as booster clubs, parent-teacher associations, etc. If these fund-raising activities are conducted entirely by these organizations and no board employee handles or keeps custody of the funds or merchandise, these activities are not recorded in the schools' internal funds and consequently are not audited by us.

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school/center level which are not part of the school's budget process
- ◆ Each school/center administers its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2013, June 30, 2014 and June 30, 2015, the MDCPS-Money Market Pool Fund's interest rate was 0.50%, 0.62% and 0.64%, respectively.



## PAYROLL

All payroll transactions must be processed following the *Payroll Processing Procedures Manual*, which establishes the guidelines for the recordkeeping, reporting, and maintenance of payroll and payroll records.

At M-DCPS, the Systems Applications and Products in Data Processing (SAP) Time, Payroll and Benefits module replaced the mainframe Payroll Absence Reporting System previously used by the school system to process the payroll. The changeover to the SAP module became effective on October 28, 2011 and the first pay date under SAP Time, Payroll and Benefits was November 18, 2011. At present, although the 'behind-the-scenes' system processes are significantly different and updated, the payroll procedures for documenting employees' time and attendance at the school sites have not changed when compared to the former system.

**Each school/center processes its own biweekly payrolls.** Timekeeping personnel enter the employees' time and attendance data on a centralized information system. After the information is entered into the system, it is approved by the principal on-line. Subsequently, the payroll department reviews the information and processes the payroll.

The process for distributing payroll checks and checks advices at the sites changed in 2009 in an effort to eliminate paper checks and paper advices. Employees who received paper checks at the sites were requested to enroll in direct deposit for all payroll-related payments, and were directed to the Employee Portal located in the District's website to access their payroll information and print the payroll check advices. Although payroll check distribution at the sites has been greatly minimized, sites are still required to maintain controls over the distribution of payroll checks for those employees who have not signed for direct deposit at this time.

## PROPERTY

At M-DCPS, the management of property items must comply with the guidelines established in the *Manual of Property Control Procedures*. According to Chapter 274.02 of the Florida Statutes, a complete physical inventory of all property shall be taken annually, be compared with the property record, and discrepancies must be identified and reconciled. Furthermore, the Florida Department of Financial Services, Rule Chapter 69I-73 establishes that "all property with a value or cost of \$1,000 or more and a projected useful life of one year or more shall be recorded in the local government's financial system as property for inventory purposes".

Our office conducts yearly inventories at each school/center of all property items with an original cost of \$1,000 or more. These inventories are customarily scheduled and performed at the sites **after the first day of school and before the end of the school year**. Consequently, the property inventories of schools/centers audited during the summer months of July and August are customarily conducted at a later date, unless

staff is available at the sites and time permits. Inventories pending at year-end will be conducted and reported for the next fiscal year.

### **PURCHASING CREDIT CARD (P-CARD) PROGRAM**

At the schools, principals administer the purchasing credit card program, which must comply with the guidelines established in the *Purchasing Credit Card Program Policies & Procedures Manual*. The P-card program was designed to streamline the acquisition process by enabling employees at the school sites to make small dollar purchases (less than \$3,000 per individual transaction) for materials and supplies. The program is currently managed by the Accounts Payable Department.

- *The P-Card Program enables school sites to make small purchases of less than \$3,000 per individual transaction for materials and supplies*
- *It expedites the procurement process at the school sites.*

### **TITLE I PROGRAM**

Schools/centers implementing Title I Programs are required to meet the requirements of the *No Child Left Behind Act of 2001*. Each year, an *Economic Survey* is conducted by the District to rank schools/centers from highest to lowest, based on the percentage of participating students from low income families, and to allocate Title I funds to those eligible schools/centers in rank order. The cut-off point for eligibility is based on the Title I allocation received from the State and other program components.



Schools/centers follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-Card Program, depending on the amount. Salary expenditures must comply with budgetary requirements and must be directly related to activities associated with the grant.

At the schools/centers, principals administer Title I programs with oversight from the Regional Centers, under the overall direction of Title I Administration Office.

To promote schoolwide compliance with Federal, State, and District regulations and guidelines, and ensure that appropriate evidence sources document compliance, the Office of Management and Compliance Audits incorporated the audit of this program into the school audits at selected schools/centers effective February 2007.

## FULL-TIME EQUIVALENT (FTE)

Miami-Dade County Public Schools receives a significant portion of its revenue from State funding through the Florida Education Finance Program (FEFP).

The funding provided by FEFP is based upon the number of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE. FEFP funds are primarily generated by multiplying the number of FTE students in each of the funded educational programs by a cost factor to obtain weighted FTEs.

**Section 1010.305, Florida Statutes** vests the Auditor General with the authority to periodically examine the records of school districts, determine compliance with State law and State Board of Education rules relating to the classification, assignment, and verification of full-time equivalent student enrollment and student transportation reported under FEFP. Generally, these audits are conducted every three years; but could be scheduled sooner.

Schools/centers are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools/centers to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2014-2015 fiscal year, months selected by the FDOE for these surveys are as follows:

Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

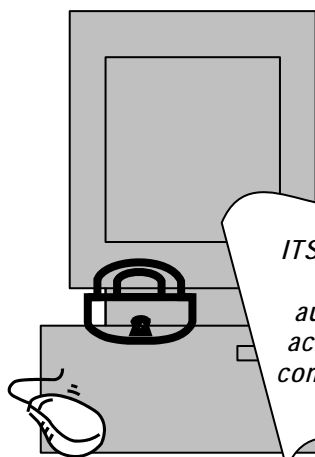
Schools/centers are also responsible for maintaining an audit trail to ascertain compliance with State law, State Board of Education and School Board Policies as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

Incomplete/inaccurate student records which do not adequately support/justify funding levels may give rise to losses in funding. Similarly, teacher certification is closely linked to FTE funding and must be monitored on an ongoing basis to prevent similar losses in

funding to the District. Aside from the monetary losses, non-compliance issues are closely reviewed by the Auditor General and included in their reports.

As of the 2007-2008 fiscal year, FTE audits have been incorporated as part of the school audits routinely performed by the Office of Management and Compliance Audits. FTE audits are conducted at selected schools/centers based on audit criteria developed by this office.

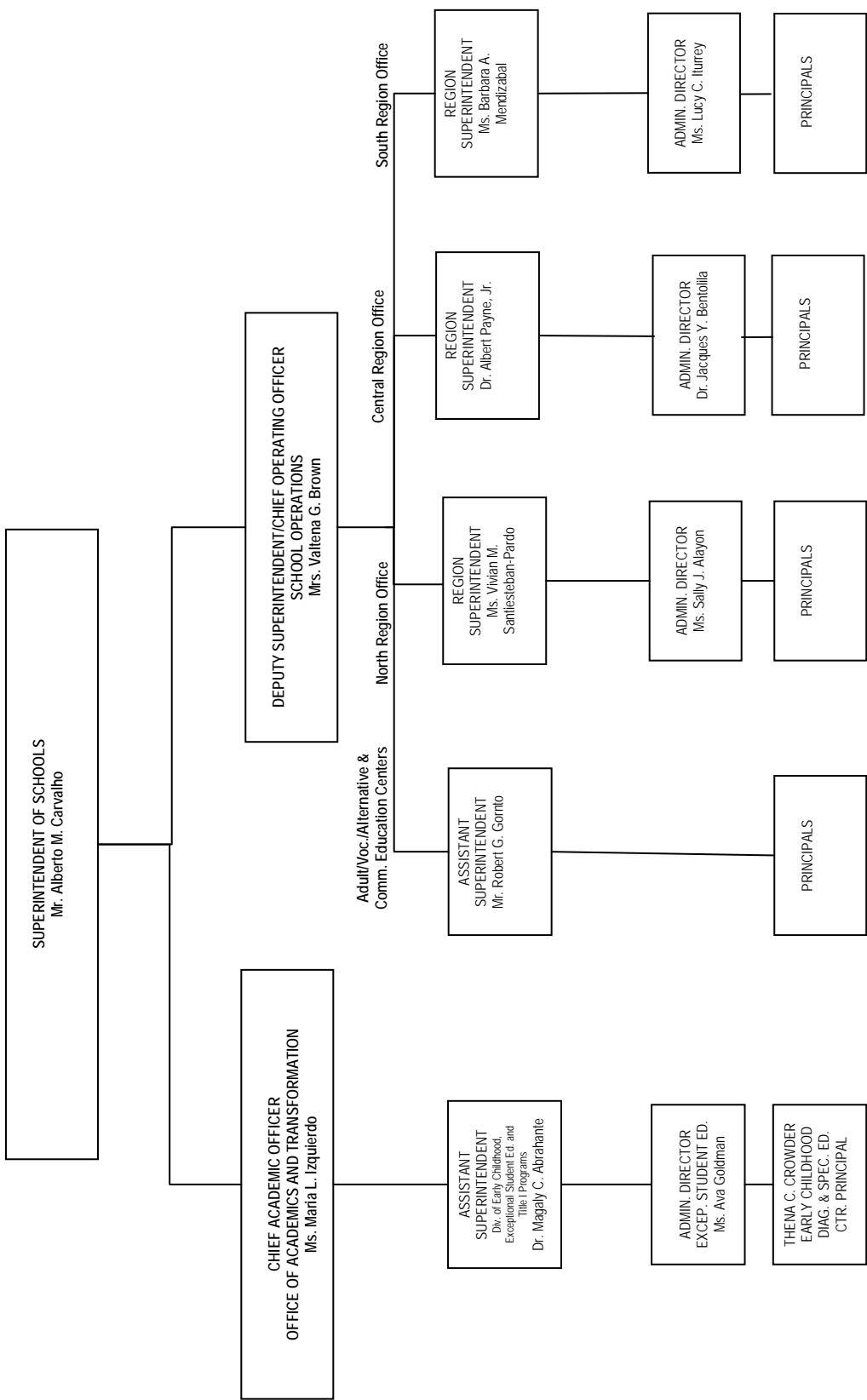
## DATA SECURITY MANAGEMENT REPORT



*ITS report reviewed to ensure that only authorized staff has access to designated computer applications.*

Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. Part of their responsibility includes ensuring that only authorized staff has access to designated applications. Information Technology Services (ITS) produces a monthly report for each location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this report to determine the appropriateness of applications approved for each employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for changes to students' academic grades is limited to a specific and restricted number of authorized personnel. For selected schools/centers in this report, we reviewed this area as a follow up to conditions noted in the prior audit. In such cases, our purpose was to ensure that corrective action was implemented by the principals, and access to these computer applications was fully compliant with the guidelines.

ORGANIZATIONAL CHART (SCHOOLS/CENTERS)



Note:  
Effective June 15, 2015, ETO schools/centers are operationally realigned into the three existing geographic regions under School Operations (North, Central and South) based on feeder patterns; and to the Office of Academics and Transformation for educational support and wraparound services.



## **APPENDIX MANAGEMENT'S RESPONSES**

**M E M O R A N D U M**

November 2, 2015

**TO:** Ms. Vivian M. Santiesteban-Pardo, Region Superintendent  
North Region Office

**FROM:** Daryl Branton, Principal *DB.*  
North Miami Senior High School

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF NORTH MIAMI SENIOR HIGH SCHOOL FOR FISCAL YEARS JULY 1, 2012 – JUNE 30, 2015**

The following is submitted in response to the Audit Report of North Miami Senior High School for fiscal years July 1, 2012 – June 30, 2015.

The audit findings have been carefully reviewed by the newly appointed Principal. As a result, the Principal has implemented the following corrective measures in order to prevent the recurrence of similar conditions and ensure that strict compliance is maintained with Board policies and procedures.

**FINDINGS**

1. **Inadequate Controls Over the Bookkeeping Function Led to Misappropriations of Funds**

**RECOMMENDATIONS:**

- 1.1 Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.2 Discuss with the treasurer, faculty and staff that all collections, including those that derive from third-parties received by the school in the form of checks (via U.S. Mail or via other delivery methods) must be receipted in the system, and a receipt must be sent to the third party as confirmation that the transaction has been posted to the system.
- 1.3 Discuss the bookkeeping procedures with the new treasurer to ensure understanding of the expectations of the job.
- 1.4 Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the treasurer.



- 1.5 Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, Treasurer

**MANAGEMENT RESPONSE:**

The newly appointed Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, Section II-Chapter 2, Collections of Money and Section III - Chapter 3, with the Assistant Principal and the new Treasurer to ensure their understanding of their responsibilities regarding the procedures for the receipting and depositing of funds. The Principal provided a copy of the aforementioned documents to be referenced when making deposits.

The Principal and Treasurer conducted training for faculty and staff members on the process and procedures required when handling collections.

The Principal has assigned the Assistant Principal to review financial transactions and activities with the Treasurer bi-weekly to ensure strict adherence to all guidelines. The Assistant Principal will verify that collections are properly receipted, documented and deposited in a timely manner. The Principal will meet with the Assistant Principal on an as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal will attend the Money Does Matter Program sessions scheduled throughout this school year by School Operations.

**FINDINGS**

2. Inadequate Controls Over Receipting and Depositing Procedures Recurrent in the Past Three Audits

**RECOMMENDATIONS:**

- 2.1 Ensure that a validated deposit slip is attached to the deposit package.
- 2.2 Enforce proper utilization of the Collections/ Deposits Log and the Armored Car Service Log and ensure that all collections are properly safeguarded.
- 2.3. Discuss with staff and school-allied organizations that funds corresponding to the school-allied organizations should not be commingled with school funds or handled by school staff.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, Treasurer

#### MANAGEMENT RESPONSE:

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, Section IV- Chapter 12, with the Assistant Principal and the Treasurer to ensure their understanding and responsibilities regarding the procedures for attaching the deposit slip to the deposit package. The Principal provided a copy of the aforementioned documents to be referenced.

The Principal will ensure that validated deposit tickets are received from City National Bank on a monthly basis and are stapled to the corresponding deposits. The collections/deposit log will be utilized when the deposit(s) are locked in the vault under administrative supervision. Those collections/deposits will be signed by both the Treasurer and the Administrator. The armored car service log will be utilized for all outgoing deposits prepared by the Treasurer and signed by the Brinks representative.

The Principal reviewed and provided a copy of the documentation procedures from the Manual of Internal Fund Accounting to members of the PTSA and the Pioneer Booster Club. The Treasurer is providing regional Health Occupations Students of America (HOSA) Director with weekly printouts of available account balances.

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#### FINDINGS

3. Transfer of Dormant Account Balances Exceeding \$1,000 Individually Done Without Proper Approvals

#### RECOMMENDATIONS

- 3.1. Review account balances before the closing of the fiscal year to identify dormant/inactive accounts and be able to process them in a timely manner.
- 3.2. Ensure that all written approvals are obtained for transfers of dormant accounts balance in excess of \$1000.
- 3.3. Ensure that transfers of funds between accounts are allowable before making the transfer.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, Treasurer

#### MANAGEMENT RESPONSE:

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, with the Assistant Principal and the Treasurer to ensure their understanding of and

responsibilities regarding the procedures for transferring a dormant account balance in excess of \$1,000.00.

The Principal has instructed the Treasurer, to review the chart of accounts at the year's end to ensure that there are no dormant accounts. In the event there are dormant accounts, the Treasurer will complete a Journal Voucher (JV) transfer for each dormant account. This transfer will be approved by the Principal and the process will conclude prior to the end of the fiscal year.

Furthermore, the Principal will prepare a memorandum to the North Region Office Administration and the District Business Manager requesting transfer approval for any dormant account with a balance of \$1000 or greater. Prior to making any transfer between accounts, the Treasurer will refer to the Manual of Internal Fund Accounting.

## **FINDINGS**

### **4. School Sponsored Activities Non-Compliant With Guidelines**

## **RECOMMENDATIONS**

- 4.1. Review the procedures with sponsors to ensure awareness and compliance of the requirements, especially the timely preparation, review and filing of Student Activity Operating Reports.**
- 4.2. Strengthen the review over fundraising activities, including the preparation and review of Student Activity Operating Reports.**
- 4.3. Periodically review the activities with the activities director and treasurer to ensure that sponsors are turning in collections timely, without discrepancy, and reports are completed, reviewed and signed.**

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, Activities Director, Treasurer

## **MANAGEMENT RESPONSE:**

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting, with the Assistant Principal, Activities Director and Treasurer to ensure their understanding of responsibilities regarding the procedures regarding school sponsored activities/fundraising activities.

The Principal, Assistant Principal, Activities Director and Treasurer held a meeting with all club sponsors to review procedures regarding school sponsored activities/fundraising activities. All club sponsors were provided with a memorandum on Fundraising Policies and Procedures. The

Principal has arranged for all fundraising activities to be vetted by the Activities Director, under the supervision of the designated Assistant Principal.

Additionally, the Principal will meet biweekly with the Activities Director and Treasurer to ensure the timely and accurate submission of Student Activity Operating Reports.

cc: Ms. Sally J. Alayon  
Ms. Cynthia Gracia

**MEMORANDUM**

November 5, 2015

**TO:** Ms. Barbara A. Mendizabal, Region Superintendent  
South Region Office

**FROM:** Victoria G. Dobbs, Principal  
Miami Palmetto Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
MIAMI PALMETTO SENIOR HIGH SCHOOL-7431 FOR JULY 1, 2013  
THROUGH JUNE 30, 2015**

The following is a response to the relevant findings in the internal audit report for Miami Palmetto Senior High School. The audit findings have been carefully reviewed by the Principal. As a result, the following corrective actions have been established to prevent recurrence.

**RECOMMENDATIONS**

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and ensure these procedures are enforced school-wide.
- 1.2. Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- 1.3. Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the Treasurer.
- 1.4. Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, Sponsors, and  
Treasurer

**MANAGEMENT RESPONSE**

A new Principal was appointed to the school on July 16, 2015, and the former Treasurer resigned. At present, the school has been assigned a temporary Treasurer and the newly appointed Principal is in the process of interviewing candidates for the Treasurer position. The Principal will meet with the temporary Treasurer and again with the new

Treasurer to ensure an understanding of the job expectations. Furthermore, the Principal will review the receipting/depositing procedures, and bookkeeping procedures with the temporary and new Treasurer to ensure understanding of the expectations.

Additionally, in order to ensure adequate controls over the bookkeeping function, the Principal facilitated a mandatory faculty training session on September 9, 2015, wherein District policies and procedures for the receipting, collecting and depositing of monies were addressed. Proper use of *Recap of Collections Form* (FM-1004) and *Employee (BPI) Receipts* (FM-0976) were discussed with staff school wide to ensure their understanding of the receipting/collecting/depositing procedures.

The Principal has assigned an Assistant Principal to oversee the receipting/collecting/depositing functions and the work of the Treasurer. On November 5, 2015, the Principal met with the designated administrator and reviewed the role and responsibilities of the administrator in overseeing the financial activities of the school. The Principal directed this administrator to report to the Principal any discrepancies related to the collections, receipting, and depositing functions for immediate corrective action.

## **RECOMMENDATIONS**

- 2.1. Devise a weekly schedule to monitor and review internal fund activities with the Treasurer, in particular, the internal fund accounts activity and balances, to ensure that activity is posted daily and pending items are researched and cleared expeditiously.**
- 2.2. Strengthen the review of monthly and year-end reports and bank statements/monthly reconciliations, directing special attention to unresolved reconciling items on monthly bank reconciliation and suspicious financial activity to ensure that assets are properly safeguarded.**
- 2.3. Going forward, direct the Treasurer to maintain a running checkbook balance and review the checkbook regularly to ensure this procedure is being implemented.**
- 2.4. Reverse transfers made to the Special Purpose account to place the funds in the correct account.**
- 2.5. Ensure that the *Serialized Forms and Tickets Distribution Log* [FM-0990] is properly completed to ensure that controls/safeguards over the custody of official forms are observed.**

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, and Treasurer

#### **MANAGEMENT RESPONSE**

The Principal instructed the Assistant Principal to review internal fund activity account balances on a weekly basis and confirm that all balances are up to date and that all postings are made in a timely manner as well as transactions charged to the correct accounts.

The Assistant Principal and Treasurer will ensure spending is kept within limits and internal funds, and accounts are not being operated with deficit balances.

The Principal directed all clerical staff members to immediately deliver the unopened bank statements and bank correspondence to her for initial review. The Principal will review the statements and initial for verification. The bank statements will then be delivered to the Treasurer for final review and processing. The Principal will pay special attention to the unresolved reconciling items on the monthly bank reconciliation.

The Principal met with the temporary Treasurer and has incorporated the use of QuickBooks as a new procedure in order to maintain a running checkbook balance. The Principal will direct the Treasurer to utilize QuickBooks in maintaining the checkbook balance.

The transfer to the Special Purpose account identified during the audit has been reversed, and the funds have been placed in the correct account.

The Principal has instructed the Assistant Principal to periodically review the Inventory of *Prenumbered Forms* report (FM-3564) and the *Tickets Distribution Log* (FM-0990) and verify that all official forms are located and safeguarded. The Assistant Principal will inform the Principal immediately of any unlocated forms.

#### **RECOMMENDATIONS**

- 3.1. Ensure that designated administrator reviews the financial activities periodically to ensure that all collections are properly receipted, fully documented (including the validated deposit slips), timely deposited, and the Collection/Deposit Log (FM-7249) is properly utilized and maintained.
- 3.2. Direct the new Treasurer to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and ensure that teachers are given copy of the MSAF receipt when turning in collections.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal, and Treasurer

**MANAGEMENT RESPONSE**

The Principal has instructed the designated Assistant Principal to review the collections weekly to ensure that they are properly receipted, fully documented, timely deposited and the Collection/Deposit Log (FM-7249) to ensure that it is properly utilized and maintained. The Assistant Principal will promptly notify the Principal of any discrepancies.

The Treasurer was directed to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and to issue teachers a copy of the MSAF receipt when turning in collections to the Treasurer for deposit. This process will be overseen by the designated Assistant Principal.

If you should require any additional information, please feel free to contact me at 305-235-1360.

cc: Ms. Cynthia Gracia  
Ms. Lucy C. Iturrey



**MEMORANDUM**

November 5, 2015

**TO:** Barbara Mendizabal, Region Superintendent  
South Region Office

**FROM:** Paul Pfeiffer, Principal  
Cutler Bay Middle School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
CUTLER BAY MIDDLE SCHOOL**

This memorandum serves as a response to the findings in the Audit Report for Cutler Bay Middle School.

The audit findings have been carefully reviewed by the Principal. As a result, the Principal has implemented the following corrective measures in order to prevent a recurrence.

**RECOMMENDATION**

- 1.1. The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.
- 1.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.
- 1.3. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, the Principal or administrative designee should monitor the SPED area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed.
- 1.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding Teacher Certification requirements, the Principal or administrative designee should ensure that out-of-field waivers are maintained on file at the school site; and that teachers are assigned to teach in accordance with certification requirements. In addition, the Certification Department should be notified and school files should be updated with the most current certification information. Going forward, the school administration should strengthen monitoring over this area.

**Responsible Person(s):** Principal, Assistant Principal, ELL Chair, ELL Teachers, Program Specialist, SPED Teachers

**Management Response:**

On Thursday, October 29, 2015, the Principal met with the ELL Chairperson to delineate her responsibility in completing LEP plans. In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal reviewed the 2014-2015 *Opening of School Guidelines and Procedures* and the *District Plan for Services to English Language Learners (ELL)* with the Assistant Principal and the ELL Chair on Tuesday, November 3, 2015. In addition, the Chair will attend Professional Development sessions offered by the Bilingual Education and World Languages Department.

The Principal and Assistant Principal held an ELL compliance meeting on Friday, November 6, 2015 with all Administrative, Instructional, and Clerical Personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

The Principal advised the Assistant Principal, ELL Chair, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP plans are signed and dated appropriately. Furthermore, the team was instructed to review the cumulative records with focused attention to detail and accuracy. Specifically, the instructions were to ensure that the secondary student schedules are printed and filed prior to the FTE period; *Home Language Surveys* are properly completed, signed and filed; CELLA Test Reports are received and filed; and LEP Committee meetings of students enrolled in the program over six semesters take place in a timely manner and results are properly documented in the LEP folders.

The Principal will continue to monitor the documentation of ELL students. The Principal directed the team to continue periodic in-house reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. The in-house reviews will take place prior to each FTE period.

In order to reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, on Monday, November 02, 2015 the Principal contacted the Executive Director for the SPED Program to secure Professional Development for the SPED Teachers and the School's LEA's. Professional Development has been scheduled for December 10, 2015.

Furthermore, the Principal met with the Assistant Principal on November 3, 2015 and reviewed Section D of the Local Education Agency (LEA) implementation Guide. The Principal provided a copy of the aforementioned document to the Program Specialist, SPED Teachers, and the Data Input Specialist for their review. On Wednesday, November 4, 2015, the Principal and the Assistant Principal met with Program Specialist, SPED teachers, and Data Input Specialist (DIS) to review the recordkeeping requirements of SPED records.

The Assistant Principal will review the student folders prior to each FTE period to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS and that all necessary records are properly completed, signed and filed.

The Principal will request a report of students with Matrix 254 and 255 prior to each FTE period and will make sure that the information on ISIS and the Matrix of Services is correct. Following each meeting when a student's Matrix of Services or IEP is created or updated, the Assistant Principal will make certain that the information being provided to the Data Input Specialist (DIS) is correct. The DIS will initial that it has been inputted. Any paperwork required to be placed in the Cumulative Record of the student will be placed in the file immediately thereafter. The Program Specialist will then confirm that the information reported on the Matrix of Services, ISIS and the Cumulative Record are all correct according to the actual services the student receives.


In order to ensure compliance with the guidelines and procedures for Teacher Certification requirements, the Principal will ensure that out-of-field waivers are maintained on file. Additionally, the Principal will ensure that teachers are assigned to teach in accordance with the certification requirements. The Assistant Principal will review teacher certification file on a quarterly basis and ensure that the proper documentation is on file.

cc: Ms. Cynthia Gracia  
Ms. Lucy C. Iturrey

**MEMORANDUM**

November 5, 2015

**TO:** Barbara Mendizabal, Region Superintendent  
South Region Office

**FROM:** Kenneth L. Williams, Principal   
Leisure City K-8 Center

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT FOR  
LEISURE CITY K-8 CENTER**

This memorandum is in response to the relevant audit findings in the internal audit report for Leisure City K-8 Center.

**RECOMMENDATIONS:**

- 1.1 Going forward, the school administration should discuss the payroll sign-in procedures with the entire staff for awareness and understanding of the payroll requirements; and should institute the periodic review of the payroll sign-in procedures to ensure that staff is compliant with the requirements. Any instances of non-compliance noted during the periodic reviews should be immediately discussed with the affected staff for resolution and corrective action.

**Responsible Person(s):** Principal, Assistant Principal and Payroll Clerk

**Management Response:**

On November 4, 2015, the Principal held a faculty meeting to review and discuss the *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department. Specifically, the Principal met with the faculty and staff to review the appropriate procedure for signing in and out. The Principal or Designee and Payroll Clerk will monitor the sign-in sheets daily. This review process will begin fifteen minutes after the start of the regular work day each day. If it is noted that employees are not signing in in a timely manner or signing in and out inappropriately, a verbal warning will be given. Repeated failure to comply with appropriate sign in/sign out procedures will be handled in accordance with contractual guidelines.

**RECOMMENDATIONS:**

- 2.1 In order to ensure future compliance with District guidelines, and to reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, we recommend that ESOL staff and administration review ESOL program record folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders in a timely manner and before the FTE week.

**Responsible Persons:** Principal, Assistant Principal, Registrar and ESOL Teacher

**Management Response:**

On August 18, 2015, the Principal met with team members comprised of the Assistant Principal, ESOL Chairperson, and the Registrar, to review all incoming or new registrations to ensure compliance with ELL program guidelines. Specific procedures were delineated to ensure that the *Home Language Survey Form* (FM-5196), *Student WLEP Plan* (FM-4649) for elementary students or (FM-4650) for secondary students, and the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* (FM-6576)/(FM-6577) are properly completed and maintained in the LEP folders. Instructions to team members included ensuring that all CELLA Test Report results are received and filed in the folders, and schedules of secondary students are printed in a timely manner and filed.

The team has also reviewed procedures for conducting LEP committee meetings for all students with six semesters or more in ESOL program. The team will continue to work on a quarterly basis to review cumulative records and LEP folders to ensure accuracy.

The Principal will schedule in-house reviews of randomly selected cumulative folders and records for ELL students on a quarterly basis, prior to FTE survey periods, to ensure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. Neighboring schools will also be visited by stated faculty, in order to review and observe best practices with record keeping. Furthermore, in June 2015, all administrators attended an ESOL compliance training session.


cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey



## MEMORANDUM

November 5, 2015

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Benny Valdes, Principal   
Miami Senior High School

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT  
OF MIAMI SENIOR FOR FISCAL YEAR 2014-2015

This memorandum serves as a response to the relevant findings in the internal audit for Miami Senior High for the 2014-2015 fiscal school year.

### RECOMMENDATIONS:

- 1.1. The Principal or Administrative Designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP plans.
- 1.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

RESPONSIBLE PERSONS: Principal, Assistant Principal and ELL Chair.

### MANAGEMENT RESPONSE:

On October 28, 2015, the Principal met with the Assistant Principals, ESOL Department Chairperson and the Registrar, to review the pre-audit findings and discuss methods for corrective action. The Principal reviewed the 2014-2015 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan for Services to English Language Learners* to ensure compliance with the policies and procedures set forth in these documents.

The ESOL Department Chairperson will incorporate the use of the Department of Bilingual Education and World Languages Checklist when reviewing ESOL student records. Upon registration of students, if any errors are detected, the registrar will contact the Division of Bilingual Education and World Languages to correct and update. An Assistant Principal has been assigned direct responsibility for reviewing ESOL

records on a monthly basis. The findings of these reviews will be reported out during regularly scheduled leadership team meetings and corrective action will be taken with records out of compliance. A training session will be created and completed with Teachers utilizing the WEB LEP (WLEP) Application to ensure records are properly maintained. The LEP folder will be checked upon arrival for all required information, and any missing information will be acquired, as necessary. The LEP folder will be reviewed by the ESOL Chairperson and Assistant Principal three times per year to assure that all documentation is in compliance with State and District guidelines, policies and procedures. The Principal will randomly check these records on a quarterly basis.


If you have any further questions, please contact me at 305-649-9800.

cc: Dr. Jacques Bentolila  
Ms. Cynthia Gracia

**MEMORANDUM**

November 5, 2015

TO: Dr. Albert Payne, Region Superintendent  
Central Region Office

FROM: Juan Carlos Silva, Principal   
Ronald Reagan/Doral Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT  
OF RONALD REAGAN/DORAL SENIOR HIGH SCHOOL**

This memorandum serves as a response to the relevant findings in the internal audit for Ronald Reagan/Doral Senior High School for the 2013-2014 and 2014-2015 fiscal school years.

**RECOMMENDATIONS:**

- 1.1 Discuss the yearbook activity with the new sponsor and ensure he/she is prior aware of prior results to plan the strategy for the coming year.
- 1.2. Given the noted decrease in the students' demand for yearbooks during the past two years, reassess the yearbook activity for the coming year; and strengthen oversight of the sales campaign in order to increase sales and reduce the number of unsold books in the coming year.
- 1.3. Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed.
- 1.4. The school should ensure that online reports are filed with the school records.
- 1.5. Ensure that the charges in the yearbook invoice agree with those stipulated in the yearbook bid and addenda.
- 1.6 Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.

**RESPONSIBLE PERSON(S):** Principal, Assistant Principal, Yearbook Sponsor, and Treasurer



**MANAGEMENT RESPONSE:**

The Principal conducted a meeting with the Assistant Principal, Treasurer and new Yearbook Sponsor to discuss audit results and develop a plan for the current school year. In addition, Section IV, Chapter 6 of the Manual of Internal Fund Accounting was reviewed to ensure compliance with all policies and procedures.

The Principal and the Yearbook Sponsor reduced the number of books ordered for the current school year to 400. Based on previous year's sales, this number would be more in line with expected sales.

The Principal will meet with the Treasurer and the Yearbook Sponsor monthly to monitor the number of books sold and to ensure compliance with the Yearbook Monthly Operating Reports.

The Principal, Treasurer and the Yearbook Sponsor will review all invoices and compare them to the bid on file. Any information that does not correlate will be documented and the yearbook vendor contacted in order to ensure corrections are made.

The Principal, Treasurer and the Yearbook Sponsor will review the current, and future, yearbook cost and bring the average selling price closer to cost.

If you have any further questions, please contact me at 305-805-1900.

cc: Ms. Cynthia Gracia  
Dr. Jacques Bentolila

MEMORANDUM

November 5, 2015

TO: Dr. Albert Payne, Region Superintendent  
Central Region Office

FROM: Cory R. Rodriguez, Principal  
Citrus Grove Middle School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
CITRUS GROVE MIDDLE SCHOOL FOR THE 2013-2014 AND 2014-  
2015 FISCAL YEAR

This memorandum serves as a reply to the relevant findings in the internal audit for Citrus Grove Middle School for the 2013-2014 and 2014-2015 fiscal school years.

**RECOMMENDATIONS**

- 1.1 The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.
- 1.2 To reduce the probability of potential losses in funding and other non compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Records to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.
- 1.3 To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, the Principal or administrative designee should monitor the SPED area and Student folders on a regular basis to ensure that IEP and EP conference are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed. Additional effort should be invested in the review of documentation corresponding to students placed in levels 254-255.

**PERSON(S) RESPONSIBLE:** Principal, Assistant Principal and ESOL/SPED Staff

**MANAGEMENT RESPONSE:**

On September 11, 2015, the Principal held a meeting with the Administrators, ESOL Chairperson, SPED Program Specialist and Registrar to review and discuss audit findings as well as policies and procedures as it relates to each program. The Principal

has directed the ESOL Chairperson to conduct a review of all ESOL records utilizing the ESOL Records Folder Checklist located on the Bilingual Education Website. The Principal has also directed the SPED Program Specialist to conduct a review of all SPED records utilizing the *Exceptional Student Education Compliance Manual* located on the Exceptional Student Education Website. The appropriate corrections will be made to bring all records into compliance.

The Principal, Assistant Principal, SPED Program Specialist and ESOL Chairperson will conduct an in-school mini review each semester to ensure that all records are in compliance. In addition, the Principal or administrative designee will monitor the SPED area and Student folders on a regular basis to ensure that IEP and EP conference are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed. Special emphasis will be given to records corresponding to students placed in levels 254-255.


If you require any additional information, please contact me at 305-649-1527.

cc: Dr. Jacques Bentolila

**MEMORANDUM**

**November 5, 2015**

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Scott A. Weiner, Principal   
Kinloch Park Middle School

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT  
REPORT OF KINLOCH PARK MIDDLE SCHOOL FOR  
THE FISCAL YEAR 2014-2015**

This memorandum serves as a response to the relevant findings in the internal audit for Kinloch Park Middle School for the 2014-2015 fiscal school year.

**RECOMMENDATIONS:**

- 1.1 The Principal of administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the ELL/LEP Plans.**
- 1.2 To reduce the probability of potential losses in funding and other noncompliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders.**

**RESPONSIBLE PERSONS:** Principal, Assistant Principal, ESOL Department Chair, Registrar

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principals, ESOL Department Chair and Registrar to review the policies and procedures as they pertain to maintaining of ESOL Records. An updated check list will be provided and incorporated in every LEP folder. The ESOL Department Chair will also incorporate The Department of Bilingual Education and World Languages Checklist as a secondary check of student records. Upon registration of students, if any errors are detected the registrar will contact the Division of Bilingual Education and World Languages to correct and update. A professional development session will be created for Teachers utilizing the WEB LEP (WLEP) Application to ensure records are properly maintained.


The Principal, Assistant Principal and ESOL Chair will articulate with feeder pattern elementary schools to coordinate the transfer of all necessary paperwork to ensure cumulative records are accurate. The LEP folder will be checked upon arrival for all required information, and any missing information will be acquired from the elementary schools as necessary. The LEP folder will be reviewed by the ESOL Chair and Assistant Principal three times per year to assure that all documentation are in compliance with State and District guidelines, policies, and procedures. The Principal will randomly check LEP records at least once each semester to ensure compliance with policies and procedures. If you have any further questions, please contact me at 305-445-5467.

CC: Dr. Jacques Bentolila

MEMORANDUM

November 5, 2015

TO: Dr. Albert Payne, Region Superintendent  
Central Region Office

FROM: Sharon M. Johnson, Principal  
Citrus Grove Elementary School 

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
CITRUS GROVE ELEMENTARY FOR 2013-2014 AND 2014-2015

This memorandum serves as a response to the relevant findings in the internal audit for Citrus Grove Elementary for the 2013-2014 and 2014-2015 fiscal school years.

**RECOMMENDATIONS**

- 1.1 Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and recorded.
- 1.2 Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and timelines for turning in funds/posting collections.
- 1.3 Ensure that official receipts are issued for individual collections of \$15 or more.
- 1.4 Ensure that the Collections/Deposits Log [FM-7249] is completed and signed on a daily basis to document any monies left overnight/over the weekend pending deposit.

**RESPONSIBLE PERSON(S):**

Principal, Assistant Principal and Treasurer

**MANAGEMENT RESPONSES:**

The Principal, Assistant Principal and Treasurer reviewed the *Manual of Internal Fund Accounting* Section II, Chapters 2 and 3 to ensure compliance with district policies and procedures. The Principal also modified policies and procedures and reviewed the updated procedures with the Assistant Principal and Treasurer to ensure that deposits are made in a timely manner.

In the event funds cannot be deposited, the Principal reviewed with the Assistant Principal and Treasurer the policies and procedures to be utilized as it relates to the

Collections/Deposits Log [FM-7249]. All collections held overnight will comply with the policies and procedures stated in the Manual of Internal Fund Accounting Section II, Chapters 2 and 3.

The Principal and Treasurer will also review the policies and procedures involved with collection of funds with the entire faculty on an annual basis. Special emphasis will be given to making deposits on a daily basis, as well as the use of Official BPI Receipts when necessary. The Treasurer will report to the Principal any deposits that were not made in a timely manner. The Principal will take appropriate action with any individual who does not comply with these procedures.

The Principal and Assistant Principal will randomly review the internal fund activity on a bi-weekly basis to ensure compliance of policies and procedures stated in the Manual of Internal Fund Accounting are followed.

cc: Dr. Jacques Y. Bentolila



**MEMORANDUM**

November 5, 2015

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Sergio A. Muñoz, Principal  
Melrose Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
MELROSE ELEMENTARY SCHOOL FOR 2013-2014 AND 2014-2015  
FISCAL YEARS**

This memorandum serves as a response to the relevant findings in the internal audit for Melrose Elementary for the 2013-2014 and 2014-2015 fiscal school years.

**RECOMMENDATIONS:**

- 1.1 The school administration should not engage in the practice of purchasing gift cards from retail stores or similar establishments that do not mainly offer educationally related materials and supplies.
- 1.2 A signed complimentary list should be maintained on file to document the distribution of gift cards purchased by the school and distributed to employees.
- 1.3 The school administration should discuss Fund-9 disbursement guidelines with staff for awareness and understanding of the requirements.
- 1.4 The school administration should enforce bid requirements and direct staff to ensure that; 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected.

**RESPONSIBLE PERSON(S):** Principal, Assistant Principals, and Treasurer.

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principals and Treasurer to review audit findings, specifically Section IV, Chapter 14 of the *Manual of Internal Fund Accounting*. They were instructed to conform to the recommendations provided by the Office of Management and Compliance Audits.

The following corrective actions will be implemented immediately in order to ensure compliance with the *Manual of Internal Fund Accounting*.



The administration of Melrose Elementary School will cease to purchasing gift cards from retail stores, or similar establishments that do not mainly offer educationally related materials and supplies. In the event of a purchase of a gift card for educational related materials and supplies, a signed complimentary list will be maintained on file to document the distribution of gift cards purchased by the school and distributed employees. The Principal will review and initial on the complementary list for every card distributed.

The Principal will review and discuss Section III, Chapter 9 of the Manual of Internal Fund Accounting as it related to Fund-9 disbursement guidelines with the Treasurer to ensure that all policies and procedures are being followed. The Treasurer will review all purchase orders and ensure that the procedures for acquiring three bids are being adhered to, if needed. The Principal, or designee, will review all purchase orders and ensure they have the required bids prior to authorizing the purchase.


If you have any further questions, please feel free to contact me at 305-635-8676.

Cc: Dr. Jacques Y. Bentolila  
Ms. Cynthia Gracia

**MEMORANDUM**

November 5, 2015

**TO:** Dr. Albert Payne, Region Superintendent  
Central Region Office

**FROM:** Brenda L. Swain, Principal   
Miami Shores Elementary School

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
MIAMI SHORES ELEMENTARY SCHOOL FOR 2013-2014 AND 2014-  
2015

This memorandum serves as a response to the relevant findings in the internal audit for Miami Shores Elementary for the 2013-2014 and 2014-2015 fiscal school years.

**RECOMMENDATIONS:**

- 1.1 The school administration should discuss student attendance/payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.
- 1.2 The school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at end of school year.
- 1.3 The school administration should direct the program manager to conduct periodic reviews of the cards to ensure that payments are accurately collected and reflected in the payment records.
- 1.4 The school administration should ensure that reports to the subsidizing child care Agency are timely prepared and submitted to the agency for reimbursement.
- 1.5 The school administration should strengthen oversight of the program and periodically meet with the After School Care Program manager to review the activity of the program.
- 1.6 The school administration should review budget accounts periodically to monitor balances and adjust hourly payroll expenditures of the program as needed.

**RESPONSIBLE PERSON(S):** Principal, Assistant Principal, Secretary/Treasurer, After School Care Manager, Community School Specialist

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principal, After School Care Program Manager (ASC), Community School Specialist (CS) and Treasurer and were instructed to conform to the recommendations provided by the Office of Management and Compliance Audits. The Principal reviewed the Community School Procedures Manual and Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

The following corrective actions will be implemented immediately in order to ensure compliance with the Manual of Internal Fund Accounting and the Community School Procedures Manual of Miami Dade County Public Schools.

The Principal met with the Assistant Principal, ASC Program Manager, CS Manager and Treasurer/Payroll Clerk immediately after the audit completion and reviewed the responsibilities of each staff member as delineated in the Manual of Internal Fund Accounting and the Community School Procedures Manual.

The Principal and Assistant Principal (designee) will monitor the program regularly to ensure that the procedures and guidelines are strictly adhered to.

On a monthly basis, the Principal along with the ASC Program Manager and CS Manager will conduct school-site reviews to ensure payments are being collected in a timely manner and posted accordingly with accurate amounts to avoid overpayments and underpayment of fees. Additionally, all overpayments or underpayments of fees will be settled by the end of the current school year and all non-payments documented. Any anomalies will be corrected immediately.

The Principal, or Assistant Principal, will complete random reviews of the registration cards periodically and the Principal will complete an official mid-year and end-of-year review of each student registration card to account for all enrollees in the program, finalized with an official signature. The student registration cards will be updated immediately for all circumstances including new or existing registrations for After School Care and/or Community Classes.

The Principal and Assistant Principal will conduct a monthly review to confirm the ASC Program Manager and CS Manager prepares and submits the reports to the subsidizing child care agency for reimbursement in a timely manner; and that all information related to subsidized child care reimbursements is accurate and reflected in the student's records.

Any discrepancies in these reports will be identified and reported to the agency in a timely manner. The Principal will review budget accounts monthly to monitor balances and adjust hourly payroll expenditures of the program as needed.

**RECOMMENDATIONS:**

- 2.1 The school should discuss the Pre-K recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained.**
- 2.2 The school administration should direct the program manager to conduct periodic reviews of the cards to ensure that payments are accurately collected and reflected in the payment records.**
- 2.3 The school administration should enforce the schedule for collecting payments and should timely follow up in those instances where parents are not making payments in a timely manner. Any instances of non-payment should be documented in the records.**
- 2.4 The school administration should follow-up on overpayments and underpayments.**

**RESPONSIBLE PERSON(S):** Principal, Assistant Principal, Secretary/Treasurer, Program Manager, Community School Specialist

**MANAGEMENT RESPONSE:**

Due to the fact that the school has regained its Title I status, there is no longer a fee-based Pre-Kindergarten Program at this site. However, if there is a need for a fee-based program in the future, the corrective measures listed below will be implemented.

All responsible persons will review the District's Voluntary Prekindergarten (VPK) Program Registration Procedures/Guidelines for Fee-Supported Classrooms in Non-Title I Schools. The Community School Specialist will maintain all payment cards with fidelity during each payment period or as needed. Weekly reviews will take place by the Program Manager to ensure updates are made in a timely manner. Monthly reviews will be conducted by the Principal. Additionally, the Principal will follow up within a 48-hour period if overpayments or underpayments are identified.

All corrective measures will be implemented immediately to ensure there are no future audit exceptions. If you have any further questions, please feel free to contact me at 305-758-5525

cc. Dr. Jacques Bentolila

MEMORANDUM

November 4, 2015  
VSP#022/2015-2016  
(305) 572-2800

TO: Ms. Valtena G. Brown, Deputy Superintendent/Chief Operating Officer  
School Operations

FROM: Vivian M. Santiesteban-Pardo, Region Superintendent  
North Region Office

SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOL

Attached, please find the response to the audit findings for the fiscal years July 1, 2012 – June 30, 2015, North Miami Senior High School. The North Region Office who assumed a supervisory role over North Miami Senior High on June 15, 2015, has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

North Miami Senior High School

**1. Inadequate Controls Over the Bookkeeping Function Led to Misappropriations of Funds**

The North Region Office Financial Human Capital Director and the newly appointed Principal, July 15, 2015, established an organized plan for the Principal to implement and monitor the process for the receipting and depositing of funds. The Principal will thoroughly review the Manual of Internal Fund Accounting with the newly appointed Treasurer (transferred from another location).

The Principal has been instructed to identify a school administrator to oversee the daily operations of the bookkeeping functions, to ensure faculty and staff are well-trained to thoroughly understand the procedures for handling collections and that regular reviews are in place to ensure the procedures are in compliance.

In addition, the Principal has been instructed to ensure that the Treasurer attends District sponsored trainings and that the Assistant Principal meets regularly with the Treasurer to ensure that collections are properly receipted, documented and deposited in a timely manner. Also, the Principal has been instructed to meet with the Assistant Principal on as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal has been instructed to attend School Operation's Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

## **2. Inadequate Controls Over Receipting and Depositing Procedures Recurrent in the Past Three Audits**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor to ensure organized receipting and depositing procedures to make sure controls are in place. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Treasurer.

The Principal has been directed to meet regularly with the Treasurer to ensure procedures are followed accurately for collection/deposit logs, the Armored Car Service Log and that collections are safeguarded.

Additionally, the Principal has been instructed to review with staff and school-allied organizations that they cannot commingle with school funds or be handled by school staff.

## **3. Transfer of Dormant Account Balances Exceeding \$1,000 Individually Done Without Proper Approvals**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Treasurer.

The Principal has been instructed to meet regularly and the end of the fiscal year with the Treasurer to ensure that proper procedures are followed should dormant accounts exist and that appropriate transfers are made.

Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

## **4. School Sponsored Activities Non-Compliant With Guidelines**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Assistant Principal, Activities Director and the Treasurer.

The Principal has been instructed to meet with all club sponsors to review procedures regarding school sponsored activities/fundraising activities and was also instructed to arrange for a designated Assistant Principal to oversee all fundraising activities in conjunction with the Activities Director.

In addition, the Principal was instructed to meet regularly with the Activities Director and the Treasurer to ensure that Student Activity Operating Reports are completed in timely and accurate manner.

Should you need additional information, please contact me at (305) 572-2800.

VSP/SA

cc: Ms. Sally J. Alayon  
Ms. Cynthia Gracia



**MEMORANDUM**

November 5, 2015

**TO:** Mrs. Valtena G. Brown, Deputy Superintendent/Chief Operating Officer  
School Operations

**FROM:** Barbara A. Mendizábal, Region Superintendent  
South Region Office

**SUBJECT: RESPONSES TO AUDIT REPORTS OF SOUTH REGION OFFICE  
SCHOOLS**

Please find attached the responses to the audit findings for Leisure City K-8 Center, Cutler Bay Middle School, and Miami Palmetto Senior High School. The South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Leisure City K-8 Center**

**1. Inadequate Recordkeeping, Documenting and Reporting of Payroll**

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.

The Financial/Business Operations Director will conduct periodic site-reviews to ensure compliance with all the guidelines found in the Payroll Processing Procedures Manual to make sure that the daily and hourly payrolls are accurate.

**2. School Non-Compliant With Full-Time Equivalent (FTE) Student Records Resulted In Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the South Region Office Administrative Directors. Discrepancies will be discussed with the Principal and corrections will be made accordingly.



### **Cutler Bay Middle School**

#### **1. School Non-Compliant With Full-Time Equivalent (FTE) Student Records Resulted In Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Special Education Students to ensure that the records are maintained in accordance with the respective program guidelines.

#### **2. School Non-Compliant with Full-Time Equivalent FTE Student Records (ESOL, SPED) Resulted in Potential FTE Funding Disallowances**

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Special Education Department to conduct mini-reviews each semester for compliance in selected areas of the ELL Program.

Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### **Miami Palmetto Senior High School**

#### **1. Inadequate Controls Over Bookkeeping Function Led to Misappropriation of Funds**

The South Region Office Financial/Business Operations Director is working closely with the newly appointed Principal to identify and select a new Treasurer for the school. Furthermore, the South Region Office Financial/Business Operations Director instructed the newly assigned Principal to thoroughly review the Manual of Internal Fund Accounting to ensure that procedures are appropriately followed.

The South Region Office Financial/Business Operations Director, cooperatively with the newly assigned Principal, will solicit assistance from the Office of Internal Funds to provide the necessary training for selected staff and the newly assigned Treasurer (once identified).

#### **2. Inadequate Oversight Of The Bookkeeping Function Led to Deficit Balances, Overspending, Double Payments, Bank Reconciliation Errors, And Incomplete Records**

The South Region Office Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer (once identified) to thoroughly review the Manual of Internal Fund Accounting to ensure compliance with the respective policies and procedures.

The Principal was instructed to meet regularly with the Internal Funds Business Manager to ensure compliance with established procedures.

**3. Inadequate Controls Over Collections Resulted in Deposit Delays And Incomplete Records**

The South Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with the collection process, receipting and depositing of monies generated from Internal Fund activities and *Weekly Briefing No. 5164* regarding the Policies and Procedures on the Safeguarding Funds at Schools and implementing utilization of the Collections/Deposits Log (FM-7249).

The South Region Office Financial/Business Operations Director instructed the Principal to devise a plan for monitoring the collection, receipting and depositing functions of the school.

Should you need additional information, please contact me at (305) 252-3041.

BAM:LI  
M#24

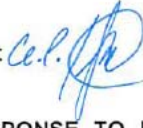
Attachments

cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey

MEMORANDUM

November 5, 2015  
AP/#027/2015-16

TO: Mrs. Valtena G. Brown, Deputy Superintendent/Chief Operating Officer  
School Operations

FROM: Albert Payne, Region Superintendent   
Central Region Office

SUBJECT: **CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORTS FOR CITRUS GROVE ELEMENTARY, MELROSE ELEMENTARY, MIAMI SHORES ELEMENTARY, CITRUS GROVE MIDDLE, KINLOCH PARK MIDDLE, MIAMI SENIOR HIGH AND RONALD REAGAN/DORAL SENIOR HIGH**

Please find attached the responses to the audit findings for Citrus Grove Elementary, Melrose Elementary, Miami Shores Elementary, Citrus Grove Middle, Kinloch Park Middle, Miami Senior High and Ronald Reagan/Doral Senior High. The Central Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Citrus Grove Elementary**

**1. Inadequate Controls Over Receipts and Deposits**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section II, Chapters 2 of the Manual of Internal Fund Accounting to ensure compliance with the collection process, receipting and depositing of monies generated from Internal Fund activities and Weekly Briefing No. 5164 regarding the Policies and Procedures on the Safeguarding Funds at Schools and implementing utilization of the Collections/Deposits Log (FM-7249).

**Melrose Elementary**

**1. Disbursements Non-Compliant with Guidelines**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section IV, Chapter 14 of the Manual of Internal Fund Accounting and School Board Policy 6680 Awards and Incentives to ensure compliance with the policies and restrictions regarding the purchase of awards, incentives and gift certificates.

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section III, Chapter 9 of the Manual of Internal Fund Accounting to ensure compliance with the general policy over Fund 9 purchases and account limitations. The Principal will also develop and implement a plan for monitoring all Fund 9 purchases that will be reviewed and approved by the Central Region Office Financial/Business Operations Director.

**Miami Shores Elementary**

**1. Inadequate Management of After School Care Program Resulted in Program Revenue Losses and Incomplete Records**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review the Community School Procedures Manual and Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

The Financial/Business Operations Director will solicit assistance from the Office of Community Education to conduct mini-reviews each semester for compliance in selected areas of the After School Care Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**2. Inadequate Management of Fee-Paying Pre-Kindergarten Program Resulted in Program Revenue Losses and Incomplete Records**

Due to the fact that the school has regained its Title I status, there is no longer a fee-based Pre-Kindergarten Program at this site. However, if there is a need for a fee-based program in the future, the following corrective measures will be implemented. The Principal will meet with staff to review the Memorandum from the Division of Early Childhood Programs and the Early Childhood Education Policies and Procedures Manual to ensure the implementation of policies and procedures when implementing Enrichment (fee-paying) Pre-Kindergarten (Pre-K) programs. In addition, the Principal will review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures.

**Citrus Grove Middle**

**1. School Non-Compliant with Full-Time Equivalent FTE Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Special Education Students to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Special Education Department to conduct mini-reviews each semester for compliance in selected areas of the programs. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

**Kinloch Park Middle**

**1. School Non-Compliant with Full-Time Equivalent FTE Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### **Miami Senior High School**

#### **1. School Non-Compliant with Full-Time Equivalent FTE Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program. Results from the District's mini-reviews will be submitted to the Central Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

### **Ronald Reagan/Doral Senior High School**

#### **1. Yearbook Activity Not in Compliance**

The Central Region Office Financial/Business Operations Director instructed the Principal to meet with staff to review Section IV, Chapter 6 of the Manual of Internal Fund Accounting to ensure compliance with policies and procedures as they pertain to the school yearbook.

The Central Region Office Financial/Business Operations Director instructed the Principal to devise a plan for monitoring the number of yearbooks ordered, the cost of the yearbook, the Monthly Operating Reports (FM 1030) and Distribution Report (FM 1031).

As a result of these audit findings, the following support activities will be implemented for all schools at the Region level:

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend Money DOES Matter Support Program.
- The Central Region Office Financial/Business Operations Administrative Director in collaboration with the appropriate district office will coordinate a support system for the Principal and designee to ensure that all after school records are properly maintained.

If there are any additional questions, please contact me. Thank you for your assistance and cooperation.


cc: Dr. Jacques Bentolila  
Ms. Cynthia Gracia



**MEMORANDUM**

**November 12, 2015**

**TO:** Jose Montes de Oca, Chief Auditor  
Office of Management and Compliance Audits

**FROM:** Valtena G. Brown, Deputy Superintendent/Chief Operating Officer   
School Operations

**SUBJECT: SCHOOL OPERATIONS RESPONSE TO SCHOOL AUDITS OF SELECTED SCHOOLS IN NORTH, CENTRAL AND SOUTH REGION OFFICES**

School Operations has reviewed the audit exceptions cited in the 2012-2013, 2013-2014 and 2014-2015 fiscal year(s) audit reports of the following schools reporting to the North Region, Central Region and South Region Offices: North Miami Senior High School, Citrus Grove Elementary, Melrose Elementary, Miami Shores Elementary, Citrus Grove Middle, Kinloch Park Middle, Ronald W. Reagan/Doral Senior, Miami Senior, Leisure City K-8 Center, Cutler Bay Middle, and Miami Palmetto Senior. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Director on periodic basis mini-reviews to ensure that collections are properly receipted, documented, and timely deposited. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Coordinate collaboratively with the Region Offices and Bilingual and Exceptional Student Education District Offices and implement a compliance team to ensure documents are properly maintained.
- School Operations will coordinate monthly presentations from the various district Offices encompassing Bilingual Education and Exceptional Student Education on policies and procedures and maintenance of documents.
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through Money DOES Matter Support Program.
- School Operations in collaboration with the Region Office will continue to provide support to the school by assigning a Fiscal Review Team to conduct financial reviews, periodically.

School Operations will continue to work with principals to promote efficient fiscal practices. If you have any questions, please contact me at 305 995-2938.

VGB:cg  
M068


cc: Mr. Jose Dotres  
Region Superintendents  
Ms. Cynthia Gracia  
Region Directors



# TRANSMITTAL

**DATE:** November 10, 2015


**TO:** Dr. Maria P. de Armas, Ed.D., Assistant Superintendent  
Division of Academics

**FROM:** Cristian Carranza, Administrative Director   
Division of Academics  
Department of Career and Technical Education

**SUBJECT:** **Response to Recommendations 2.4 and 2.5**  
**School Audit of North Miami Senior High School – 7591**

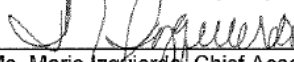
Ms. Izquierdo:

The attached document has been reviewed and is now ready for your approval. Thank you.

  
Dr. Maria P. de Armas, Assistant Superintendent  
Division of Academics

Mr. de Oca:

The attached document has been approved and is now ready for your review. Thank you.

  
Ms. Marie Izquierdo, Chief Academic Office  
Office of Academics and Transformation

**MEMORANDUM**

**November 10, 2015**

**TO:** Mr. Jose F. Montes de Oca, Chief Auditor  
Office of Management and Compliance Audits

Ms. Maria T. Gonzalez, Assistant Chief Auditor  
Office of Management and Compliance Audits

**FROM:** Dr. Lupe Ferran Diaz, Executive Director   
Department of Career and Technical Education

**SUBJECT: Response to Recommendations 2.4 and 2.5  
School Audit of North Miami Senior High School – 7591**

In response to the recommendations as stated in the Audit of North Miami Senior High School (7591) that addresses Finding No. 2 on pages 12-14 of the draft report, the Department of Career and Technical Education will take the following corrective action to prevent the recurrence of such exceptions:

**2.4. The District's Department of Career and Technical Education should monitor the collection and disbursement of HOSA funds on a periodic basis.**

The Executive Director met with the recently-assigned Health Science Instructional Supervisor to ensure compliance with the collection and disbursement of HOSA funds and has reviewed the Manual of Internal Fund Accounting, specifically Chapter 3, which establishes the procedures for collection of monies, to ensure understanding and responsibilities of the role of the Treasurer and the Instructional Supervisor.

To heighten the awareness and understanding of the requirements of all parties, the Health Science Instructional Supervisor will meet:

- a. On a monthly basis, with the treasurer at North Miami Senior High School, to review account balances and procedures and any anomalies will be reported immediately to the Executive Director; and
- b. On a quarterly basis, with each Regional Advisor to discuss HOSA trust balance and review any needed procedures.

**2.5. The District should re-evaluate the fees charged to HOSA students and should consider alternative funding sources for subsidizing travel costs of faculty/staff involved in the HOSA program.**

The Department of Career and Technical Education is in full agreement with Recommendation 2.5. Regional Advisors will be informed immediately and modifications to the HOSA regional dues will be proposed. At the scheduled HOSA Advisors meeting of January 20, 2016, alternative means of funding the national competitive event will be determined.



The Department of Career and Technical Education appreciates the support of the staff of the Office of Management and Compliance Audits during this internal audit process.

LFD:jk  
M007

cc: Ms. Marie Izquierdo  
Dr. Maria De Armas  
Mr. Cristian Carranza



## Anti-Discrimination Policy

### Federal and State Laws

The School Board of Miami-Dade County, Florida adheres to a policy of nondiscrimination in employment and educational programs/activities 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 gender 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.

**Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA)** - prohibits discrimination against employees or applicants because of genetic information.

**Boy Scouts of America Equal Access Act of 2002** – no public school shall deny equal access to, or a fair opportunity for groups to meet on school premises or in school facilities before or after school hours, or discriminate against any group officially affiliated with Boy Scouts of America or any other youth or community group listed in Title 36 (as a patriotic society).

*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.*

#### **In Addition:**

**School Board Policies 1362, 3362, 4362, and 5517** - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

# **MIAMI-DADE COUNTY PUBLIC SCHOOLS**



## ***INTERNAL AUDIT REPORT SELECTED SCHOOLS/CENTERS DECEMBER 2015***



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