

MIAMI-DADE COUNTY PUBLIC SCHOOLS

Internal Audit Report Selected Schools/Centers



*The Financial Statements Were Fairly
Stated And Property Inventory Results
Were Satisfactory At Most Of The
Schools/Centers
In This Report.*

*At Nine Of 44 Schools/Centers, Depending
On The School Audited, Controls Over The
Bookkeeping And Disbursements Functions
(Including Utilization Of The Purchasing
Card); Oversight Of Before/After Care And
Infant/Toddler Program Activities; Staff's
Involvement In School-Allied Organization's
Collection Efforts; Compliance With Payroll's
Time, Attendance And Reporting
Procedures; The Management Of Grant
Funds And The Safeguarding Of Property;
The Monitoring Of School Site Data
Security; And Compliance With Title I
Program's Allowable Expenditures And
Procedures Need Improvement.*

JUNE 2015

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Miami-Dade County Public Schools

giving our students the world

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June 25, 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 44 schools/centers currently reporting to School Operations. The audit period of 41 of the 44 school audits reported herein is one fiscal year ended June 30, 2014; while the audit period of the remaining three school audits is two fiscal years ended June 30, 2014. At one school/center, 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 and procedures, Full-Time-Equivalent (FTE) reporting and student records, and selected aspects of school site data security. The audits also included the results of property inventories.

Our audits disclosed that the financial statements of most schools/centers reported herein were fairly stated. At 35 of the 44 schools/centers, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for most schools/centers reported herein were satisfactory.

At nine schools/centers, depending on the school audited, we cited deficiencies in the bookkeeping of the Before/After School Care and Infant/Toddler programs and the handling of collections from school-allied organizations, oversight over disbursements made with internal funds and the P-Card, compliance with payroll's time and attendance procedures, the management of grant funds and the safeguarding of property, the monitoring of school site data security and compliance with Title I Program procedures.

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 44 schools/centers. These include two schools/centers that report to the North Region Office, 14 to the Central Region Office, 26 to the South Region Office, one to the Education Transformation Office (ETO) and one that reports to the Adult/Vocational and Community Education Division within School Operations.

The 44 schools/centers comprise the audit results of three schools/centers with a two-fiscal year audit period ended June 30, 2014, and 41 schools/centers with a one-fiscal year audit period ended June 30, 2014. At one school/center, there was a change of Principal since the prior audit.

The audits disclosed that 35 of the 44 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The nine schools/centers with audit findings and the affected areas are as follows:

School/Center Name	Region	No. of Findings	Area Of Findings								
			B/ASC or Infant/Toddler Prog.	PTA	Record-keeping	Disbursements Int. Fund/ P-Card	Grants	Data Security	Payroll	Pro-property	Title I Prog.
1. Gertrude K. Edelman/Sabal Palm El.	North	2	1	1							
2. Barbara Hawkins El.	North	3			1	1	1				
3. Hialeah Elementary	Central	2				1		1			
4. Shenandoah Middle	Central	1								1	
5. Leewood K-8 Center	South	1	1								
6. Frank C. Martin K-8	South	1							1		
7. Miami Arts Studio 6-12 @Zelda Glazer	South	2	1			1					
8. John A. Ferguson Sr.	South	1				1					
9. Allapattah Middle ¹	ETO ²	4				1			1		2
Totals		17	3	1	1	5	1	1	2	1	2

¹ The name of this school (Allapattah Middle) was changed to Georgia Jones-Ayers Middle during Board meeting of June 17, 2015, pursuant to approval of School Board Agenda Item D-69. The school's former name is being used in this report since the change was subsequent to the audit period and to the audit's exit conference.

² This school reported to the ETO during the audit period and up to the Special School Board Meeting of June 15, 2015. Pursuant to the School Board's approval of the Superintendent's initiative as part of the District's realignment, restructuring, reorganization and demand-driven strategic reduction-in-force of positions, ETO schools are currently reporting operationally to School Operations. Going forward, this school will be reporting to the Central Region Office.

As illustrated in the previous table, depending on the school audited, we cited deficiencies in the bookkeeping of internal funds and the handling of the Before/After School Care and Infant/Toddler programs as well as staff's handling of Parent-Teacher Association (PTA) collections, oversight over disbursements made with internal funds and the P-Card, compliance with payroll's time and attendance procedures, the management of grant funds and the safeguarding of property, the monitoring of school site data security, and compliance with Title I procedures. At Allapattah Middle, this audit was conducted as scheduled, but also in conjunction with referrals from the Education Transformation Office (ETO) and the Title I Administration Office. Initially, ETO administration requested an audit of the school because of financial and payroll concerns associated with the school that were brought to their attention. Subsequently, the Title I Administration Office discovered a number of purchases made by the school during the 2014-2015 fiscal year that were questionable and requested that our office review Title I Program expenditures for the audit period and the current year.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools/centers 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 42-111); and in the *Appendix* section in memorandum format (Pages 120-159). Due to the recent realignment/restructuring of schools districtwide, administrative responses for Allapattah Middle (a school that reported to ETO at the time of the audit) are being provided, in addition to the Principal, by the Central Region Office and School Operations administrations.

Notwithstanding the conditions and findings reported herein, at 42 of the 44 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/centers during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school/center audited. At Gertrude K. Edelman/Sabal Palm Elementary school, except for the activity recorded in the Community School Fund, as disclosed in the findings included herein, which disclosed inadequate controls over the recordkeeping and collections associated with the Principal Operated Fee-Based Before/After School Care programs, and which precluded us from verifying the accuracy of the fees collected during the 2012-2013 and 2013-2014 fiscal years; the financial statements of the internal funds of the school otherwise present fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting. At Barbara Hawkins Elementary School, except for the activity recorded in the Trust Fund, as disclosed in the findings included herein, which disclosed a commingling of revenues in the various field trip accounts, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2013-2014 fiscal year, on the cash basis of accounting.

As of June 30, 2013, for 3 of the 44 schools/centers reported herein, total combined receipts and disbursements amounted to \$368,882.46 and \$391,437.65, respectively; while total combined cash and investments amounted to \$154,260.40 (Page 12). As of June 30, 2014, for all 44 schools/centers reported herein, total combined receipts and

disbursements amounted to \$13,578,452.75 and \$13,581,505.71, respectively; while total combined cash and investments amounted to \$2,820,733.64 (Pages 13-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at 41 of 44 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 Gertrude K. Edelman/Sabal Palm Elementary School, except for the deficiencies over the handling of the Community School Fund, and at Barbara Hawkins Elementary School, except for the deficiencies noted over the overall bookkeeping function, the internal control structure at the school was otherwise functioning as designed by the school administration. At Allapattah Middle, as of June 30, 2014 and up to the time of our review in May 2015, due to the findings included herein, which included the matter of the questionable and unauthorized P-Card purchases, non-compliance with certain aspects of parental involvement under Title I program guidelines, and questionable payroll practices including the matter of the compensatory time improperly granted to instructional staff, the internal control structure at the school was not 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 44 schools/centers. Of this total, 38 schools/centers were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following six schools/centers, we found the following:

- At Gertrude K. Edelman/Sabal Palm Elementary, issues reported herein were discovered and reported by a former school administrator. Our review of the Before/After School Care program activities for the 2012-2013 and 2013-2014 fiscal years disclosed many discrepancies with the recordkeeping and documentation supporting the collection of fees and student attendance, inadequate controls over the process for receipting program collections, and a departure from the fee payment schedule established by the District. The condition of the records prevented us from verifying the accuracy of the revenues generated by the program and posted to the accounts, and the available evidence was insufficient to establish that a misappropriation occurred; however, it was sufficient to establish that the former manager was negligent in the performance of her duties and the party responsible for the deficient recordkeeping of the program. This employee no longer works for Miami-Dade County Public Schools. During our audit visit, we found that the President of the Parent-Teacher Association (PTA) at this school site was a school staff member. Although the employee was not one of the school-allied organization's checking account co-signers, she did acknowledge that on occasion, at the worksite, she would collect monies on behalf of the PTA (Pages 42-51).

- At Barbara Hawkins Elementary, for the 2013-2014 fiscal year up to the date of our visit in May 2015, our review of the financial activity posted to the internal funds disclosed that the financial transactions associated with field trips were commingled in several accounts. In addition, documentation supporting deposits, disbursements and some of the miscellaneous transactions associated with the checking account was incomplete or not on file. Our review of canceled checks disclosed instances where the administrator's signature on the check was forged by the Treasurer, who signed those checks on behalf of the administrator. These were reimbursement checks issued to the Principal. An audit follow-up regarding grant funds left over from previous years disclosed that funds were not spent in accordance with amounts stipulated in the grant's document. Our sample of several purchases made with internal funds disclosed one instance where, three written quotations (including one from a certified minority enterprise) were not on file. Refer to *Purchasing Card (P-Card) Program Summary Section* on page 7 for additional comment regarding P-Card purchases at this school. *Some of the bookkeeping and grant-related issues had been cited or discussed with the school in prior audits (Pages 52-63).*
- At Hialeah Elementary, as follow-up to prior audit results published in March 2014, we sampled disbursements for the audit period and the current year 2014-2015 up to December 2014. Our review disclosed instances where school staff placed orders with vendors and split the orders into several smaller orders of less than \$1,000 each to circumvent the requirement for obtaining three written vendor quotations, including one from a certified minority enterprise. We identified two separate such instances during our review. The *Internal Fund Purchase Orders [FM-1012]* for some of the split purchases were prepared and signed after-the-fact; and one the corresponding invoices was paid late (Pages 64-66).
- At Leewood K-8 Center, Before/After School Care/Community School (B/ASC/CS) Program staff members were not following the proper procedures for receipting and depositing B/ASC/CS Program collections. During the audit visit, we found that staff members from the After School Care Program were not always issuing official receipts to payees immediately upon receipt of monies collected and were not recording collections held overnight pending deposit (Pages 73-76).
- At Miami Arts Studio 6-12 @ Zelda Glazer, a sample of internal funds disbursements disclosed instances where individual purchases of \$1,000 or more were documented with three written quotations; *however, none was from a certified minority enterprise.* In one other instance, written quotations were not filed. Refer to *Purchasing Card (P-Card) Program Summary Section* on page 7 for additional comment regarding P-Card purchases at this school. In addition, our review of the Principal-operated *Infant and Toddler Care Program* operated by the school for the 2013-2014 and 2014-2015 fiscal year up to the beginning of April 2015, disclosed various discrepancies with the recordkeeping requirements of the program and a shortfall in the revenues generated by the program. Program records were incomplete, bi-weekly fees paid did not agree with established amounts, and fees collected were not always received in a timely manner, according to schedule (Pages 80-87).

- At John A Ferguson Senior, our sample of disbursements (made with internal funds or the district-issued P-Card) during the 2013-2014 and 2014-2015 fiscal years up to March 2015 disclosed that the school had made purchases that were not allowed according to internal funds and P-Card guidelines. These included instances where equipment with an individual cost of \$1,000 or more was purchased (which the P-Card does not allow because of property inventory control purposes); as well as instances where the documentation supporting the disbursement was not properly completed; or where three written quotations were not obtained and/or certified minority requirements were not met in those instances where individual purchases totaled \$1,000 or more. In addition, the school had three charge accounts with several establishments and had distributed a number of charge cards to key staff to facilitate the purchases of food items, gasoline and home improvement/repair supplies; however, these charge cards are contrary to current procurement policy where the district-issued P-Card is the only card allowed to use by the schools (Pages 88-94). Refer to *Purchasing Card (P-Card) Program Summary* Section on page 7 for additional comment regarding P-Card purchases at this school.

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 44 schools/centers included herein. In addition, we are reporting the results of 108 schools/centers whose property inventories were completed for the 2014-2015 fiscal year, but whose school audits could not be finalized in time to include in this report.

At 152 schools/centers, Property Audits staff inventoried a total of 36,938 equipment items with a total approximate cost of \$94.6 million. Of the 153³ physical inventories, 140 proved satisfactory. At 13 schools/centers, a total of 33 equipment items with a total depreciated value of \$5,418 and a total acquisition cost of \$53,000 could not be located (refer to Property Schedules on pages 32-40). At the school with the most significant property losses we noted the following:

- At Shenandoah Middle, our physical verification of the property disclosed that of the 463 inventoried items, ten (10) items with an aggregate depreciated value of zero dollars (\$0) and an acquisition value of \$13,056 could not be accounted for and are reported as “unlocated”. These laptops were obsolete, and according to the school administration, no longer operational when they went missing (Pages 70-72).

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 35 items with a total depreciated value of \$18,965 and a total acquisition cost of \$74,692 were reported missing at 14 of the 152

³ Robert Morgan Educational Center and Robert Morgan Technical College are reported as one school audit; however, maintain financial records and inventories separately (one for the senior high school and one for the technical college). For purposes of this report, they are considered one school audit.

schools/centers (Page 41). The items consisted of auto repair equipment and musical instruments (at Miami Central Senior), as well as musical instruments, custodial and medical equipment, an air conditioning unit and a golf cart at the other schools/centers.

PAYROLL

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

Schools/Centers	Region	Schools/Centers	Region
Gertrude K. Edelman/Sabal Palm El. ⁴	North	Robert Morgan Ed. Center and Robert Morgan Technical College	South
Riverside Elementary	Central	Allapattah Middle	ETO
Horace Mann Middle	Central	D. A. Dorsey Technical College	Adult Ed.
Frank C. Martin K-8 Center	South		

At five of the seven schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*. At the following two schools/centers, we identified the following discrepancies:

- At Frank C. Martin K-8 Center, similar issues were cited in prior audit reports. As part of our audit follow-up on payroll matters, we reviewed the Daily Payroll Attendance Sheets for several current pay periods and noted that several employees (both instructional and non-instructional) were present for one or more days, but had not indicated their presence on the Daily Payroll Attendance Sheets while they were in attendance at the worksite. Similarly, on the day of our review of sign-in procedures, two part-time employees had not properly signed in or out either one or two days. According to the Principal, all employees in question were in attendance (Pages 77-79).
- At Allapattah Middle, a review of payroll records corresponding to January 2014 and April 2014 disclosed certain discrepancies and questionable reporting of the payroll for a particular instructional staff member who, according to the job description, was assigned to the Student Center for Special Instruction (otherwise referred to as indoor suspension). The school had reported a number of temporary duty leave and compensatory time for this staff member within a rather short timeframe, where one day of temporary duty leave was reported between several days of contiguous sick leave. In addition, the employee was not entitled to earn compensatory time according to the employee's bargaining unit. In addition, the temporary duty leave was not supported with agendas or location of meeting(s). Aside from the fact that the compensatory time was not allowed, the Compensatory Time log showed that it was miscalculated. According to the log and the staff member, the hours were worked while the employee was on vacation during the summer (Pages 108-111).

⁴ Change of Principal at this school/center (1 school/center).

PURCHASING CARD (P-CARD) PROGRAM

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

Schools/Centers	Region	Schools/Centers	Region
Barbara Hawkins Elementary	North	Coconut Palm K-8 Academy	South
Gertrude K. Edelman/Sabal Palm Elementary	North	Miami Arts Studio 6-12 @ Zelda Glazer	South
Shenandoah Middle	Central	John A. Ferguson Senior	South
Redondo Elementary	South	Allapattah Middle	ETO
Air Base K-8 Center for International Education	South		

Our review disclosed that five of the nine schools/centers listed above generally complied with the *Purchasing Card Program Policies and Procedures Manual*.

At the following four schools/centers, we noted the following departure from established procedures:

- At Barbara Hawkins Elementary, Miami Arts Studio 6-12 @ Zelda Glazer, and John A. Ferguson Senior, our review of P-Card purchases disclosed that purchases of equipment with an individual cost exceeding \$1,000 were made; however, not all quotations were on file, the lowest quote was not selected, or none was from a certified minority enterprise. In addition, the equipment was not tagged for inventory control purposes. At our request, the school completed an Incoming Controlled Equipment Form [FM-1699] to request the tagging of the equipment for inventory purposes (Pages 60-63, 80-82 and 88-94, respectively). Refer to the *Internal Funds Summary* section of this report for ancillary conditions related to the disbursement function at these schools on pages 4 and 5. At Allapattah Middle, we found discrepancies with the documentation supporting the P-Card charges and questionable purchases. These consisted of P-Card purchases made with discretionary funds budgeted at the school level for gasoline that were questionable because of the amount, the type of gasoline that was purchased and the location where some of the gasoline was being purchased. It also involved P-Card purchases made with Title I Program funds that were questionable or not authorized according to Title I Program guidelines (Pages 101-103). Refer to the *Title I Program Expenditures and Procedures Summary Section* of this report on page 8 for summary of details.

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures was conducted at the following four schools/centers:

School/Center Name	Region Office	Audit Period	Total Expenditures
Henry E. S. Reeves Elementary	Central	2013-2014	\$ 192,949
Riverside Elementary	Central	2013-2014	400,203
Redondo Elementary	South	2013-2014	197,448
Allapattah Middle	ETO	2013-2014	708,156
Total Title I Program Expenditures			\$ 1,498,756

Total expenditures incurred under various Title I programs amounted to approximately \$1.5 million. Results of our audits disclosed that three of the four schools/centers were generally compliant with the policies and procedures established by the *Title I Administration Handbook*.

- At Allapattah Middle, our review of P-Card charges made during the 2013-2014 and 2014-2015 fiscal years up to February 2015 disclosed that the school had made purchases with the P-Card that were charged them to the Title I Program; however, the purchases were not authorized or questionable under that program's guidelines. In addition, the school placed several orders with the District's Graphics Department that were also charged to the Title I Program; however, some of these purchases are similarly questionable or not allowed. In addition, documentation for field trips charged to the Title I Program during 2013-2014 was not on file. During the 2013-2014 fiscal year, a full-time school monitor was hired on a part-time basis to perform the duties of the Community Involvement Specialist (CIS). During 2014-2015, the school hired a new part time CIS. Our review of records maintained by the CIS and observation of the Parent Resource Center disclosed discrepancies with the weekly schedules, telephone logs, and monthly reports; and the location of the Parent Resource Center was not clearly distinguished from the rest of the school. CIS records for the current year were not on file and according to the Title I Administration Office, as of April 2015, no reports had been filed with that office. During January 2014, the school promoted a science teacher to the Science Coach position paid under Title I; however, the new Science Coach continued with a full class schedule and received an extra-period teaching supplement subsequent to January 2014 (Pages 95-107).

FULL-TIME-EQUIVALENT (FTE) FUNDING

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

Schools/Centers	Region Office	Survey Period (SP)	FTE Funding
Dr. Manuel C. Barreiro Elementary	South	2014-2015 SP 2	\$ 1,895,835
Norma Butler Bossard Elementary	South	2014-2015 SP 3	3,112,765
Calusa Elementary	South	2014-2015 SP 2	2,027,683
Howard Drive Elementary	South	2014-2015 SP 2	1,475,350
Kendale Lakes Elementary	South	2014-2015 SP 3	1,820,058
Redland Elementary	South	2014-2015 SP 2	2,075,582
Winston Park K-8 Center	South	2014-2015 SP 2	3,199,516
Howard D. McMillan Middle	South	2014-2015 SP 2	2,050,094
Miami Arts Studio 6-12 @ Zelda Glazer	South	2014-2015 SP 2	3,351,552
John A. Ferguson Senior	South	2014-2015 SP 3	10,202,745
Total FTE Funding			\$ 31,211,180

The total FTE funding amounted to approximately \$31.2 million for the ten schools/centers combined. FTE records reviewed corresponded to the 2014-2015 fiscal year Survey Period 2 (October 2014) or the 2014-2015 Survey Period 3 (February 2015), depending on the school audited, as listed on the table above. Our FTE reviews disclosed that all ten schools/centers were generally compliant with District policy.

DATA SECURITY

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

Schools/Centers	Region	Schools/Centers	Region
Hialeah Elementary	Central	Redland Elementary	South
Henry E. S. Reeves Elementary	Central	Leewood K-8 Center	South
Eugenia B. Thomas K-8 Center	Central	Winston Park K-8 Center	South
Shenandoah Middle	Central	Southwood Middle	South
Calusa Elementary	South	Robert Morgan Ed. Center and Robert Morgan Technical College	South

Our review disclosed that nine of the ten schools/centers generally complied with the review of the report and with the requirements for granting access to system applications. At one school/center we found the following non-compliant matter:

- At Hialeah Elementary, the most current “*Authorized Applications for Employees by Locations*” report disclosed that the report had not been carefully reviewed by the school administration for some time since not only the number of employees with access to certain computer applications exceeded the number of staff users/approvers allowed by current district policy; but some of the employees listed had retired from the school system and were no longer employed at this or any other school location. In addition, the former Principal (who is currently retired) continued to be listed as having access to several computer applications related to this school site, including the *Quad A* security access application. This former employee has not worked at this location since January 2013 (Pages 67-69).

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2013 and/or June 30, 2014 (depending on the school/center audited) for the 44 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 Reports and Total Cash and Investments as of June 30, 2013 for three of the 44 schools/centers reported herein are (two-year audits):

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Region Office School/Center									
4801	Gertrude K. Edelman/Sabal Palm Elementary	\$ 28,119.03	\$ 69,777.66	\$ 75,089.35	\$ 22,807.34	\$ 5,347.32	\$ 17,460.02	\$ -	\$ 22,807.34
Education Transformation Office (ETIO) Center									
6011	Allapattah Middle	25,878.09	47,994.14	51,060.05	22,812.18	7,537.44	15,274.74	-	22,812.18
Technical College									
8139	D. A. Dorsey Technical College	122,818.47	251,110.66	265,288.25	108,640.88	1,151.37	107,489.51	-	108,640.88
TOTALS		\$ 176,815.59	\$ 368,882.46	\$ 391,437.65	\$ 154,260.40	\$ 14,036.13	\$ 140,224.27	\$ -	\$ 154,260.40

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 44 schools/centers reported herein are:

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Region Office Schools/Centers									
4801	Gertrude K. Edelman/Sabal Palm Elementary	\$ 22,807.34	\$ 64,678.37	\$ 68,435.26	\$ 19,050.45	\$ 1,498.80	\$ 17,551.65	\$ -	\$ 19,050.45
3781	Barbara Hawkins Elementary	11,800.99	25,362.44	23,334.16	13,829.27	5,992.78	7,836.49	-	13,829.27
Central Region Schools/Centers									
0201	Banyan Elementary	8,182.71	34,298.88	34,276.00	8,205.59	3,784.93	4,420.66	-	8,205.59
2331	Charles R. Hadley Elementary	24,669.23	542,890.41	547,297.57	20,262.07	4,298.89	15,963.18	-	20,262.07
2361	Hialeah Elementary	14,560.66	39,249.43	40,861.64	12,948.45	1,169.31	11,779.14	-	12,948.45
3431	Phyllis Ruth Miller Elementary	16,197.19	178,803.18	176,648.12	18,352.25	13,580.23	4,772.02	-	18,352.25

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
4491	Henry E. S. Reeves Elementary	7,378.70	95,959.95	96,357.73	6,980.92	5,812.75	1,168.17	-	6,980.92
4681	Riverside Elementary	17,977.78	155,410.35	153,545.38	19,842.75	13,905.84	5,936.91	-	19,842.75
4921	Seminole Elementary	25,315.51	36,990.47	31,532.78	30,773.20	17,652.00	13,121.20	-	30,773.20
5831	Henry S. West Laboratory School	7,057.33	24,743.56	21,793.18	10,007.71	8,981.61	1,026.10	-	10,007.71
2041	Benjamin Franklin K-8 Center	10,219.70	10,080.73	9,394.21	10,906.22	6,416.82	4,489.40	-	10,906.22
0071	Eugenia B. Thomas K-8 Center	26,847.95	704,931.32	706,606.73	25,172.54	7,516.80	17,655.74	-	25,172.54
6411	Horace Mann Middle	28,316.55	63,395.77	65,946.36	25,765.96	9,588.39	16,177.57	-	25,765.96
6841	Shenandoah Middle	31,146.78	65,793.10	66,817.02	30,122.86	6,669.13	23,453.73	-	30,122.86
6881	South Miami Middle	52,093.30	503,962.66	499,546.30	56,509.66	20,661.10	35,848.56	-	56,509.66

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
8019	Academy For Community Education	12,685.89	13,302.95	13,718.09	12,270.75	4,230.92	8,039.83	-	12,270.75
<u>South Region Schools/Centers</u>									
0211	Dr. Manuel C. Barreiro Elementary	18,717.27	334,815.68	336,580.70	16,952.25	15,923.88	1,028.37	-	16,952.25
0271	Bent Tree Elementary	17,153.92	229,867.57	231,126.31	15,895.18	2,576.85	13,318.33	-	15,895.18
0125	Norma Butler Bossard Elementary	25,547.18	554,905.09	553,000.80	27,451.47	11,680.82	15,770.65	-	27,451.47
0671	Calusa Elementary	20,961.66	487,292.48	485,417.00	22,837.14	11,527.10	11,310.04	-	22,837.14
1691	Christina M. Eve Elementary	59,207.14	278,543.66	274,840.96	62,909.84	8,195.82	54,714.02	-	62,909.84
2541	Howard Drive Elementary	27,318.86	348,430.16	347,425.27	28,323.75	17,870.06	10,453.69	-	28,323.75
2651	Kendale Lakes Elementary	15,305.33	243,739.64	243,339.68	15,705.29	2,254.17	13,451.12	-	15,705.29

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
0831	Claude Pepper Elementary	24,753.18	230,383.48	229,727.14	25,409.52	5,051.94	20,357.58	-	25,409.52
4581	Redland Elementary	34,641.11	92,904.74	91,162.12	36,383.73	16,715.54	19,668.19	-	36,383.73
4611	Redondo Elementary	14,021.76	37,604.36	38,550.03	13,076.09	1,816.36	11,259.73	-	13,076.09
4761	Royal Palm Elementary	11,571.65	249,053.47	246,861.43	13,763.69	4,002.86	9,760.83	-	13,763.69
5981	Dr. Edward L. Whigham Elementary	14,334.92	223,650.60	222,206.64	15,778.88	5,530.72	10,248.16	-	15,778.88
0041	Air Base K-8 Center For International Education	9,383.24	364,607.96	355,786.71	18,204.49	11,011.57	7,192.92	-	18,204.49
3621	Coconut Palm K-8 Academy	22,911.53	29,881.81	31,306.49	21,486.85	3,179.02	18,307.83	-	21,486.85
2881	Leewood K-8 Center	31,376.85	426,917.89	427,488.54	30,806.20	11,703.53	19,102.67	-	30,806.20
3101	Frank C. Martin K-8 Center	21,816.71	303,093.87	303,827.40	21,083.18	8,966.38	12,116.80	-	21,083.18

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
5961	Winston Park K-8 Center	34,915.30	484,174.36	476,950.78	42,138.88	21,406.38	20,732.50	-	42,138.88
6431	Arthur & Polly Mays 6- 12 Conservatory of the Arts	23,432.48	205,298.40	199,841.70	28,889.18	17,911.81	10,977.37	-	28,889.18
6441	Howard D. McMillan Middle	36,907.38	233,238.55	229,129.06	41,016.87	9,114.35	31,902.52	-	41,016.87
6052	Miami Arts Studio 6-12 @ Zelda Glazer	43,649.76	204,560.16	204,345.75	43,864.17	43,350.33	513.84	-	43,864.17
6781	Richmond Heights Middle	29,671.02	68,824.47	72,381.62	26,113.87	4,561.02	21,552.85	-	26,113.87
6861	Southwood Middle	113,220.27	215,742.43	223,205.95	105,756.75	15,793.34	89,963.41	-	105,756.75
7121	John A. Ferguson Senior	389,122.41	1,662,763.77	1,601,769.42	450,116.76	42,806.50	407,310.26	-	450,116.76
7361	Miami Killian Senior	227,926.99	554,195.84	557,270.52	224,852.31	12,579.54	212,272.77	-	224,852.31

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Checking	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7371	Robert Morgan Educational Center ⁵	150,136.03	493,731.10	495,968.88	147,898.25	5,502.25	142,396.00	-	147,898.25
8911	Robert Morgan Technical College ⁵	907,130.43	1,952,282.02	2,039,190.83	820,221.62	53,895.20	766,326.42	-	820,221.62
7091/7041/ 7061/7551	School for Advanced Studies	49,941.55	236,213.16	222,331.17	63,823.54	2,996.98	60,826.56	-	63,823.54
<u>Education Transformation Office (ETO) Center</u>									
6011	Allapattah Middle	22,812.18	33,503.90	35,132.93	21,183.15	5,828.23	15,354.92	-	21,183.15
<u>Technical College</u>									
8139	D. A. Dorsey Technical College	108,640.88	238,378.56	249,229.35	97,790.09	4,805.85	92,984.24	-	97,790.09
TOTALS		\$2,823,786.60	\$13,578,452.75	\$13,581,505.71	\$ 2,820,733.64	\$ 510,318.70	\$ 2,310,414.94	\$ -	\$ 2,820,733.64

⁵ Each location maintains its own set of financial records; however, they are reported as one school audit report since they report to the same Principal.

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

AUDIT OPINION


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

Notwithstanding the conditions and findings reported herein, at 42 of the 44 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/centers during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school/center audited. At Gertrude K. Edelman/Sabal Palm Elementary school, except for the activity recorded in the Community School Fund, as disclosed in the findings included herein, which disclosed inadequate controls over the recordkeeping and collections associated with the Principal Operated Fee-Based Before/After School Care programs, and which precluded us from verifying the accuracy of the fees collected during the 2012-2013 and 2013-2014 fiscal years; the financial statements of the internal funds of the school otherwise present fairly, in all material respects, the changes in fund balances arising from cash transactions, on the cash basis of accounting. At Barbara Hawkins Elementary School, except for the activity recorded in the Trust Fund, as disclosed in the findings included herein, which disclosed a commingling of revenues in the various field trip accounts, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2013-2014 fiscal year, on the cash basis of accounting.

As of June 30, 2013, for 3 of the 44 schools/centers reported herein, total combined receipts and disbursements amounted to \$368,882.46 and \$391,437.65, respectively; while total combined cash and investments amounted to \$154,260.40 (Page 12). As of June 30, 2014, for all 44 schools/centers reported herein, total combined receipts and disbursements amounted to \$13,578,452.75 and \$13,581,505.71, respectively; while total combined cash and investments amounted to \$2,820,733.64 (Pages 13-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at 41 of 44 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 Gertrude K. Edelman/Sabal Palm Elementary School, except for the deficiencies over the handling of the Community School Fund, and at Barbara Hawkins Elementary School, except for the deficiencies noted over the overall bookkeeping function, the internal control structure at the school was otherwise functioning as designed by the school administration. At Allapattah Middle, as of June 30, 2014 and up to the time of our review in May 2015, due to the findings included herein, which included the matter of the questionable and unauthorized P-Card purchases, non-compliance with certain aspects of parental involvement under Title I program guidelines, and questionable payroll practices including the matter of the compensatory time improperly granted to instructional staff, the internal control structure at the school was not 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 T. 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 nine schools/centers reported herein **with audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Gertrude K. Edelman/Sabal Palm El.			✓			✓	Impacted operations (Community School Fund).
Barbara Hawkins Elementary			✓			✓	Impacted operations.
<u>Central Region Office Schools/Centers</u>							
Hialeah Elementary		✓			✓		Likely to impact.
Shenandoah Middle		✓			✓		Likely to impact.
<u>South Region Office Schools/Centers</u>							
Leewood K-8 Center		✓			✓		Likely to impact.
Frank C. Martin K-8 Center		✓			✓		Likely to impact.
Miami Arts Studio 6-12 @ Zelda Glazer		✓			✓		Likely to impact.
John A. Ferguson Senior		✓			✓		Likely to impact.
<u>Education Transformation Office (ETO) School/Center</u>							
Allapattah Middle			✓			✓	Impacted operations.

INTERNAL CONTROLS RATING

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

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Central Region Office Schools/Centers</u>							
Banyan Elementary	✓			✓			Not likely to impact.
Charles R. Hadley Elementary	✓			✓			Not likely to impact.
Phyllis Ruth Miller Elementary	✓			✓			Not likely to impact.
Henry E. S. Reeves Elementary	✓			✓			Not likely to impact.
Riverside Elementary	✓			✓			Not likely to impact.
Seminole Elementary	✓			✓			Not likely to impact.
Henry S. West Laboratory School	✓			✓			Not likely to impact.
Benjamin Franklin K-8 Center	✓			✓			Not likely to impact.
Eugenia B. Thomas K-8 Center	✓			✓			Not likely to impact.
Horace Mann Middle	✓			✓			Not likely to impact.
South Miami Middle	✓			✓			Not likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Academy For Community Education	✓			✓			Not likely to impact.
<u>South Region Office Schools/Centers</u>							
Dr. Manuel C. Barreiro Elementary	✓			✓			Not likely to impact.
Bent Tree Elementary	✓			✓			Not likely to impact.
Norma Butler Bossard Elementary	✓			✓			Not likely to impact.
Calusa Elementary	✓			✓			Not likely to impact.
Christina M. Eve Elementary	✓			✓			Not likely to impact.
Howard Drive Elementary	✓			✓			Not likely to impact.
Kendale Lakes Elementary	✓			✓			Not likely to impact.
Claude Pepper Elementary	✓			✓			Not likely to impact.
Redland Elementary	✓			✓			Not likely to impact.
Redondo Elementary	✓			✓			Not likely to impact.
Royal Palm Elementary	✓			✓			Not likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Dr. Edward L. Whigham Elementary	✓			✓			Not likely to impact.
Air Base K-8 Center For International Education	✓			✓			Not likely to impact.
Coconut Palm K-8 Academy	✓			✓			Not likely to impact.
Winston Park K-8 Center	✓			✓			Not likely to impact.
Arthur & Polly Mays 6-12 Conservatory of the Arts	✓			✓			Not likely to impact.
Howard D. McMillan Middle	✓			✓			Not likely to impact.
Richmond Heights Middle	✓			✓			Not likely to impact.
Southwood Middle	✓			✓			Not likely to impact.
Miami Killian Senior	✓			✓			Not likely to impact.
Robert Morgan Educational Center and Robert Morgan Technical College (Sr. High & Adult Ed.)	✓			✓			Not likely to impact.
School for Advanced Studies	✓			✓			Not likely to impact.
<u>Technical College</u>							
D. A. Dorsey Technical College	✓			✓			Not likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
North Region Office Schools/Centers					
4801	Gertrude K. Edelman/Sabal Palm Elementary	2	▪ ASC/BSC Collections ▪ PTA Activities	None	
3781	Barbara. Hawkins Elementary	3	▪ Bookkeeping ▪ Disbursements (Int. Funds & P-Card) ▪ Grants	None	
Central Region Office Schools/Centers					
2361	Hialeah Elementary	2	▪ Disbursements ▪ Data Security	None	
6841	Shenandoah Middle	1	▪ Property	None	
South Region Office Schools/Centers					
2881	Leewood K-8 Center	1	▪ BSC/ASC Program Collections/Deposits	None	
3101	Frank C. Martin K-8 Center	1	▪ Payroll	2	▪ Payroll ▪ Fin. Records
6052	Miami Arts Studio 6-12 @Zelda Glazer	2	▪ Infant/Toddler Program ▪ Disbursements (Int. Funds & P-Card)	None	
7121	John A. Ferguson Senior	1	▪ Disbursements (Int. Funds & P-Card)	None	
Education Transformation Office (ETO) School/Center					
6011	Allapattah Middle	4	▪ Title I Program Purchases ▪ P-Card and Field Trips ▪ CIS and Science Coach ▪ Payroll	None	
TOTAL		17		2	

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.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
<u>Central Region Office Schools/Centers</u>					
0201	Banyan Elementary	None		None	
2331	Charles R. Hadley Elementary	None		None	
3431	Phyllis Ruth Miller Elementary	None		None	
4491	Henry E. S. Reeves Elementary	None		None	
4681	Riverside Elementary	None		None	
4921	Seminole Elementary	None		None	
5831	Henry S. West Laboratory School	None		None	
2041	Benjamin Franklin K-8 Center	None		None	
0071	Eugenia B. Thomas K-8 Center	None		1	▪ FTE-ESOL
6411	Horace Mann Middle	None		2	▪ Payroll ▪ Property
6881	South Miami Middle	None		None	
8019	Academy For Community Education	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
<u>South Region Office Schools/Centers</u>					
0211	Dr. Manuel C. Barreiro Elementary	None		None	
0271	Bent Tree Elementary	None		None	
0125	Norma Butler Bossard Elementary	None		None	
0671	Calusa Elementary	None		None	
1691	Christina M. Eve Elementary	None		None	
2541	Howard Drive Elementary	None		None	
2651	Kendale Lakes Elementary	None		None	
0831	Claude Pepper Elementary	None		None	
4581	Redland Elementary	None		None	
4611	Redondo Elementary	None		None	
4761	Royal Palm Elementary	None		None	
5981	Dr. Edward L. Whigham Elementary	None		None	
0041	Air Base K-8 Center For International Education	None		None	
3621	Coconut Palm K-8 Academy	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
5961	Winston Park K-8 Center	None		None	
6431/7351	Arthur & Polly Mays 6-12 Conservatory of the Arts ⁶	None		None	
6441	Howard D. McMillan Middle	None		None	
6781	Richmond Heights Middle	None		None	
6861	Southwood Middle	None		None	
7361	Miami Killian Senior	None		None	
7371/8911	Robert Morgan Educational Center and Robert Morgan Technical College (Sr. High & Adult Ed.)	None		2	<ul style="list-style-type: none"> ▪ Yearbook (High School) ▪ Fee Waivers (Adult Ed.)
7091/7041/ 7061/7551	School for Advanced Studies	None		None	
<u>Technical College</u>					
8139	D. A. Dorsey Technical College	None		None	
TOTAL		None		5	

⁶ Middle school location transitioned to senior high school. The school audit of 2013-2014 FY records is the last audit of the middle school's financial records; and the first year of the property audit for the senior high school).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the **nine 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.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
4801	Gertrude K. Edelman/Sabal Palm Elementary ⁷	Ms. Alicia M. Costa-DeVito	Dr. Doylene Tarver (Through Feb. 2013; retired) Mr. Milko O. Brito (Through Oct. 2014; Principal at Mae M. Walters Elementary).
3781	Barbara Hawkins Elementary	Ms. Rhonda Y. Williams	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office Schools/Centers</u>			
2361	Hialeah Elementary	Ms. Rosa B. Iglesias	N/A = No Change of Principal Since Prior Audit.
6841	Shenandoah Middle	Mr. Humberto J. Miret ⁸	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Schools/Centers</u>			
2881	Leewood K-8 Center	Mr. Bart D. Christie	N/A = No Change of Principal Since Prior Audit.
3101	Frank C. Martin K-8 Center	Ms. Felicia K. Joseph	N/A = No Change of Principal Since Prior Audit.
6052	Miami Arts Studio 6-12 @ Zelda Glazer	Dr. Miguel A. Balsera	Ms. Melba Brito (Through August 2013; presently Admin. Director, Office of Bilingual Education & World Languages).
7121	John A. Ferguson Senior	Dr. Lisa R. Robertson ⁹	N/A = No Change of Principal Since Prior Audit.
<u>Education Transformation Office (ETO) School/Center</u>			
6011	Allapattah Middle	Ms. Bridget L. McKinney	N/A = No Change of Principal Since Prior Audit.

⁷ Change of Principal at this school (1 school).

⁸ Appointed to Principal of Miami Southridge Senior subsequent to completion of this audit and pursuant to approval of School Board Agenda D-21 on June 17, 2015. New Principal appointed to this school.

⁹ Principal to retire and new Principal appointed to the school pursuant to approval of School Board Agenda D-21 on June 17, 2015 (subsequent to completion of this audit).

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.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>Central Region Office Schools/Centers</u>			
0201	Banyan Elementary	Ms. Cheri A. Davis	N/A = No Change of Principal Since Prior Audit.
2331	Charles R. Hadley Elementary	Ms. Maria R. Menchero	N/A = No Change of Principal Since Prior Audit.
3431	Phyllis Ruth Miller Elementary	Ms. Carmen A. Boyd	N/A = No Change of Principal Since Prior Audit.
4491	Henry E. S. Reeves Elementary	Mr. Julian E. Gibbs	N/A = No Change of Principal Since Prior Audit.
4681	Riverside Elementary	Dr. Erica Y. Paramore-Respress	N/A = No Change of Principal Since Prior Audit.
4921	Seminole Elementary	Ms. Lourdes A. Lopez	N/A = No Change of Principal Since Prior Audit.
5831	Henry S. West Laboratory School	Ms. Barbara R. Soto Pujadas	N/A = No Change of Principal Since Prior Audit.
2041	Benjamin Franklin K-8 Center	Ms. Mary A. Gil-Alonso	N/A = No Change of Principal Since Prior Audit.
0071	Eugenia B. Thomas K-8 Center	Ms. Mayra B. Barreira ¹⁰	N/A = No Change of Principal Since Prior Audit.
6411	Horace Mann Middle	Mr. Leon P. Maycock	N/A = No Change of Principal Since Prior Audit.
6881	South Miami Middle	Mr. Juan C. Boue	N/A = No Change of Principal Since Prior Audit.
8019	Academy For Community Education	Dr. Deborah A. Carter	N/A = No Change of Principal Since Prior Audit.

¹⁰Appointed to Principal of Rockway Elementary on Special Board meeting of June 15, 2015 (subsequent to the completion of this audit). New Principal appointed to this school.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>Central Region Office Schools/Centers</u>			
0211	Dr. Manuel C. Barreiro Elementary	Ms. Patricia M. Garcia	N/A = No Change of Principal Since Prior Audit.
0271	Bent Tree Elementary	Ms. Victoria E. Bourland	N/A = No Change of Principal Since Prior Audit.
0125	Norma Butler Bossard Elementary	Ms. Eileen W. Medina ¹¹	N/A = No Change of Principal Since Prior Audit.
0671	Calusa Elementary	Ms. Carmen B. Fuentes	N/A = No Change of Principal Since Prior Audit.
1691	Christina M. Eve Elementary	Ms. Lidia M. Gonzalez	N/A = No Change of Principal Since Prior Audit.
2541	Howard Drive Elementary	Ms. Deanna D. Dalby	N/A = No Change of Principal Since Prior Audit.
2651	Kendale Lakes Elementary	Ms. Martha T. Jaureguizar	N/A = No Change of Principal Since Prior Audit.
0831	Claude Pepper Elementary	Dr. Annette M. Diaz	N/A = No Change of Principal Since Prior Audit.
4581	Redland Elementary	Dr. Fred M. Albion	N/A = No Change of Principal Since Prior Audit.
4611	Redondo Elementary	Dr. Rene E. Baly	N/A = No Change of Principal Since Prior Audit.
4761	Royal Palm Elementary	Ms. Marta Garcia	N/A = No Change of Principal Since Prior Audit.
5981	Dr. Edward L. Whigham Elementary	Ms. Cynara Suarez	N/A = No Change of Principal Since Prior Audit.
0041	Air Base K-8 Center For International Education	Mr. Raul Calzadilla, Jr.	N/A = No Change of Principal Since Prior Audit.
3621	Coconut Palm K-8 Academy	Dr. Carmen Jones-Carey	N/A = No Change of Principal Since Prior Audit.

¹¹Principal to retire and new Principal appointed to this school pursuant to Special Board meeting of June 15, 2015 (subsequent to the completion of this audit).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
5961	Winston Park K-8 Center	Dr. Raquel Pelletier	N/A = No Change of Principal Since Prior Audit.
6431/7351	Arthur & Polly Mays 6-12 Conservatory of the Arts	Mr. Martin T. Reid	N/A = No Change of Principal Since Prior Audit.
6441	Howard D. McMillan Middle	Ms. Hilca Thomas	N/A = No Change of Principal Since Prior Audit.
6781	Richmond Heights Middle	Ms. Kristal B. Hickmon	N/A = No Change of Principal Since Prior Audit.
6861	Southwood Middle	Ms. Magda R. Pereira ¹²	N/A = No Change of Principal Since Prior Audit.
7361	Miami Killian Senior	Thomas P. Ennis ¹³	N/A = No Change of Principal Since Prior Audit.
7371/8911	Robert Morgan Educational Center and Robert Morgan Technical College (Sr. High School & Adult Ed.)	Kimberly Y. Davis	N/A = No Change of Principal Since Prior Audit.
7091/7041/ 7061/7551	School for Advanced Studies	Dr. Omar Monteagudo	N/A = No Change of Principal Since Prior Audit.
<u>Technical College</u>			
8139	D. A. Dorsey Technical College	Dr. Angela E. Thomas-Dupree	N/A = No Change of Principal Since Prior Audit.

¹² Appointed to Principal of Miami Killian Senior pursuant to approval of School Board Agenda D-21 on June 17, 2015 (subsequent to completion of this audit). New Principal appointed to this school.

¹³ Appointed to Principal of Coral Reef Senior pursuant to approval of School Board Agenda D-21 on June 17, 2015 (subsequent to completion of this audit). New Principal appointed to this school.

PROPERTY SCHEDULES

The results of the 153 property inventories at the 152 schools/centers reported herein are as follows:

Work Location No.	Schools/Centers	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 School/sCenters								
4801	Gertrude K. Edelman/ Sabal Palm Elementary*	99	\$ 244,156	-	-	-	-	-
3781	Barbara Hawkins Elementary*	61	204,573	-	-	-	-	-
Central Region Office Schools/Centers								
4081	M-DCPS Primary Learning Center	28	55,129	-	-	-	-	-
0111	Maya Angelou Elementary	168	259,544	-	-	-	-	-
0101	Arcola Lake Elementary	107	206,780	-	-	-	-	-
0121	Auburndale Elementary	203	437,294	-	-	-	-	-
0201	Banyan Elementary*	152	354,300	-	-	-	-	-
0401	Van E. Blanton Elementary	100	208,792	-	-	-	-	-
0721	George Washington Carver Elementary	114	198,545	-	-	-	-	-
0801	Citrus Grove Elementary	174	391,831	-	-	-	1	\$ 1,995
0881	Comstock Elementary	191	374,166	2	\$ 3,713	-	2	2,048
1001	Coral Park Elementary	112	222,374	-	-	-	-	-
1081	Coral Terrace Elementary	208	335,298	-	-	-	-	-
1641	Emerson Elementary	119	256,977	-	-	-	-	-
1761	David Fairchild Elementary	101	200,525	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
1881	Henry M. Flagler Elementary	145	311,385	-	-	-	-	-
2331	Charles R. Hadley Elementary*	204	458,588	-	-	-	-	-
2351	Eneida Massas Hartner Elementary	125	372,418	-	-	-	1	1,212
2361	Hialeah Elementary*	165	333,693	-	-	-	1	1,038
2781	Kinloch Park Elementary	136	301,567	-	-	-	-	-
2821	Lakeview Elementary	138	314,109	1	1,369	-	2	3,169
3061	Ludlam Elementary	106	238,573	-	-	-	-	-
3181	Melrose Elementary	137	314,348	-	-	-	-	-
3341	Miami Shores Elementary	174	346,349	1	1,199	-	-	-
3381	Miami Springs Elementary	96	195,911	-	-	-	-	-
3431	Phyllis Ruth Miller Elementary*	272	683,022	-	-	-	-	-
4071	Agenoria S. Paschal/Olinda Elementary	118	247,760	-	-	-	-	-
4491	Henry E. S. Reeves Elementary*	96	297,193	-	-	-	-	-
4681	Riverside Elementary*	148	387,745	-	-	-	-	-
4721	Rockway Elementary	118	276,046	-	-	-	-	-
4841	Santa Clara Elementary	122	278,804	-	-	-	-	-
4921	Seminole Elementary*	99	220,006	-	-	-	-	-
4961	Shadowlawn Elementary	129	302,388	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
5001	Shenandoah Elementary	195	393,162	-	-	-	-	-
5201	South Hialeah Elementary	272	533,714	-	-	-	-	-
5321	Southside Elementary	104	349,710	-	-	-	-	-
5361	Springview Elementary	134	331,249	-	-	-	-	-
5381	E. W .F. Stirrup Elementary	150	342,328	-	-	-	-	-
5401	Sunset Elementary	172	347,331	-	-	-	-	-
5441	Sylvania Heights Elementary	134	284,541	-	-	-	-	-
5561	Frances S. Tucker Elementary	132	331,674	-	-	-	-	-
5831	Henry S. West Laboratory Elementary*	110	195,113	-	-	-	-	-
0961	Coral Gables Preparatory Academy K-8	223	547,843	-	-	-	-	-
1121	Coral Way K-8 Center	313	883,274	-	-	-	-	-
1601	Edison Park K-8 Center	198	344,088	-	-	-	1	1,355
0122	Dr. Rolando Espinosa K-8 Center	201	755,699	-	-	-	-	-
1721	Everglades K-8 Center	274	638,823	-	-	-	-	-
2041	Benjamin Franklin K-8 Center*	162	308,369	-	-	-	-	-
2741	Key Biscayne K-8 Center	281	542,757	-	-	-	-	-
5901	Carrie P. Meek/Westview K-8 Center	147	400,205	-	-	-	-	-
3191	Ada Merritt K-8 Center	89	209,850	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
5241	South Miami K-8 Center	288	772,595	-	-	-	-	-
0071	Eugenia B. Thomas K-8 Center*	271	557,310	-	-	-	-	-
6071	George Washington Carver Middle	208	453,216	-	-	-	-	-
6121	Ruben Dario Middle	338	621,093	2	2,048	-	-	-
6331	Kinloch Park Middle	254	634,324	-	-	-	-	-
6411	Horace Mann Middle*	347	791,782	-	-	-	17	31,921
6521	Miami Springs Middle	291	690,648	-	-	-	-	-
6741	Ponce de Leon Middle	224	713,762	-	-	-	-	-
6821	Rockway Middle	261	685,535	-	-	-	-	-
6841	Shenandoah Middle*	463	831,964	10	13,056	-	-	-
6881	South Miami Middle*	313	733,260	-	-	-	-	-
6961	West Miami Middle	313	653,035	-	-	-	-	-
7071	Coral Gables Senior	564	1,479,662	-	-	-	-	-
7081	Design and Architecture Senior	442	915,958	2	2,989	-	-	-
7571	International Studies Preparatory Academy	118	341,403	-	-	-	-	-
7581	iPreparatory Academy Senior	39	120,848	-	-	-	-	-
7033	Law Enforcement Officers' Memorial High School	105	267,591	-	-	-	-	-
7161	Maritime & Science Technology	350	1,173,948	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7271	Miami Coral Park Senior	755	2,757,776	-	-	-	-	-
7461	Miami Senior	744	2,548,906	-	-	-	-	-
7511	Miami Springs Senior	372	925,005	-	-	-	-	-
7901	New World School Of The Arts Senior	136	350,233	-	-	-	-	-
7241	Ronald W. Reagan/Doral Sr.	593	1,708,302	-	-	-	-	-
7721	South Miami Senior	551	1,367,304	-	-	-	-	-
7055	Young Women's Preparatory Academy Senior	325	498,810	-	-	-	-	-
7601	William H. Turner Ed. Center	868	2,866,392	-	-	-	32	108,466
8019	Academy For Community Education*	5	14,742	-	-	-	-	-
8121	COPE Center North	96	213,425	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
0211	Dr. Manuel C. Barreiro Elementary*	108	456,935	-	-	-	-	-
0271	Bent Tree Elementary*	161	332,812	-	-	-	-	-
0125	Norma Butler Bossard Elementary*	575	814,895	-	-	-	-	-
0671	Calusa Elementary*	123	351,736	-	-	-	-	-
1691	Christina M. Eve Elementary*	122	279,058	-	-	-	-	-
2541	Howard Drive Elementary*	161	263,694	-	-	-	-	-
2651	Kendale Lakes Elementary*	139	367,087	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
0831	Claude Pepper Elementary*	133	329,778	-	-	-	-	-
4511	Dr. Gilbert L. Porter Elementary	133	306,256	-	-	-	-	-
4581	Redland Elementary*	108	262,895	-	-	-	-	-
4611	Redondo Elementary*	118	290,444	-	-	-	-	-
4761	Royal Palm Elementary*	185	412,147	-	-	-	-	-
5981	Dr. Edward L. Whigham Elementary*	144	350,491	-	-	-	-	-
0041	Air Base K-8 Center For International Education*	117	240,169	-	-	-	-	-
3621	Coconut Palm K-8 Academy*	169	573,559	-	-	-	-	-
2881	Leewood K-8 Center*	229	554,330	-	-	-	-	-
2901	Leisure City K-8 Center	283	531,769	-	-	-	-	-
3101	Frank C. Martin K-8 Center*	261	572,466	-	-	-	-	-
4391	Irving & Beatrice Peskoe K-8 Center	135	290,853	-	-	-	-	-
5961	Winston Park K-8 Center*	185	409,522	-	-	-	-	-
6111	Cutler Bay Middle	228	710,018	-	-	-	-	-
6771	Jorge Mas Canosa Middle	328	744,747	-	-	-	-	-
6441	Howard D. McMillan Middle*	574	1,049,669	-	-	-	-	-
6052	Miami Arts Studio 6-12 @ Zelda Glazer*	167	671,907	-	-	-	-	-
6781	Richmond Heights Middle*	384	1,001,710	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6861	Southwood Middle*	378	826,003	-	-	-	-	-
7121	John A. Ferguson Senior*	1,058	2,651,884	-	-	-	-	-
7351	Arthur & Polly Mays Conservatory Of The Arts*	290	682,974	-	-	-	2	2,975
7361	Miami Killian Senior*	509	1,472,354	-	-	-	-	-
7431	Miami Palmetto Senior	524	1,195,370	-	-	-	-	-
7531	Miami Sunset Senior	585	1,372,431	-	-	-	-	-
7371	Robert Morgan Ed. Center*◇	553	1,424,539	-	-	-	-	-
8911	Robert Morgan Technical College*◇	979	3,100,114	-	-	-	-	-
7091/7041/ 7061/7551	School for Advanced Studies*	37	71,135	-	-	-	-	-
Education Transformation Office (ETO) Schools/Centers								
2761	Martin L. King, Jr. Early Childhood Center (PLC)	58	143,392	-	-	-	-	-
0661	Caribbean Elementary	226	506,108	-	-	-	-	-
1361	Frederick Douglass Elementary	101	262,161	-	-	-	-	-
1561	Earlington Heights Elementary	175	328,712	2	2,008	797	-	-
2161	Golden Glades Elementary	107	238,032	-	-	-	-	-
2501	Holmes Elementary	123	365,665	2	2,508	533	-	-
4121	Dr. Robert B. Ingram Elementary	169	504,540	-	-	-	-	-

Note:
 ◇ Locations report to the same Principal. Audit results are reported as one school audit; however, carry separate financial and property records.

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
2981	Liberty City Elementary	136	326,289	-	-	-	-	-
3021	Jesse J. McCrary, Jr. Elementary	136	291,888	-	-	-	-	-
3301	Miami Park Elementary	153	361,526	-	-	-	-	-
4171	Orchard Villa Elementary	132	285,205	-	-	-	-	-
4341	Parkway Elementary	94	197,250	-	-	-	-	-
4401	Kelsey L. Pharr Elementary	73	156,906	-	-	-	-	-
4461	Pine Villa Elementary	113	241,335	-	-	-	-	-
0081	Lenora B. Smith Elementary	118	299,991	-	-	-	-	-
5931	Phillis Wheatley Elementary	145	340,272	-	-	-	1	3,099
1401	Charles R. Drew K-8 Center	214	481,010	-	-	-	-	-
1441	Paul Laurence Dunbar K-8 Center	156	313,642	-	-	-	1	1,393
3501	Morningside K-8 Academy	120	291,084	-	-	-	-	-
6011	Allapattah Middle*	194	639,669	2	2,404	-	2	2,166
6051	Carol City Middle	211	527,078	1	2,532	-	-	-
6091	Citrus Grove Middle	319	749,049	-	-	-	1	3,343
6391	Madison Middle	192	547,067	-	-	-	-	-
6761	Redland Middle	323	665,174	-	-	-	-	-
7151	Homestead Senior	701	1,716,357	-	-	-	-	-

PROPERTY SCHEDULES

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7231	Miami Carol City Senior	761	2,651,331	-	-	-	25	48,425
7251	Miami Central Senior	790	3,078,445	-	-	-	15	27,838
7301	Miami Edison Senior	746	1,661,765	-	-	-	-	-
7341	Miami Jackson Senior	427	1,702,247	-	-	-	-	-
7381	Miami Norland Senior	322	834,318	-	-	-	2	7,241
7591	North Miami Senior	683	2,286,581	2	7,484	1,187	-	-
7791	Booker T. Washington Senior	685	2,204,513	-	-	-	-	-
<u>Adult Education Centers/Technical Colleges</u>								
7012	American Adult Education Center	95	156,995	1	2,945	2,631	-	-
8139	D. A. Dorsey Technical College*	196	575,438	5	8,745	270	-	-
7112	Hialeah Adult Education Center	33	106,663	-	-	-	-	-
7132	Hialeah-Miami Lakes Adult Education Center	44	90,045	-	-	-	-	-
7342	Miami Jackson Adult Education Center	9	18,107	-	-	-	-	-
7462	Miami Senior Adult Education Center	27	79,679	-	-	-	-	-
7592	North Miami Adult Education Center	46	125,408	-	-	-	-	-
7742	Southwest Miami Adult Education Center	12	29,976	-	-	-	-	-
TOTAL		36,938	\$ 94,605,412	33	\$ 53,000	\$ 5,418	106	\$247,684

Note:

* Property results reported in conjunction with school audit (44 schools).

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.	Schools/Centers	No. Of Plant Security Reports	Total Items	Total Amount At Cost	CATEGORY (AT COST)			Total Depreciated Value
					Computers	Audio Visual	Other ^(a)	
Central Region Schools/Centers								
2361	Hialeah Elementary	1	1	\$ 1,038	\$ 1,038	-	-	-
2821	Lakeview Elementary	1	4	6,509	2,711	\$ 3,798	-	\$ 102
3431	Phyllis Ruth Miller Elementary	1	1	1,069	1,069	-	-	-
4961	Shadowlawn Elementary	1	1	1,145	-	-	\$ 1,145	-
6411	Horace Mann Middle	1	6	6,112	6,112	-	-	-
6841	Shenandoah Middle	1	1	1,005	-	-	1,005	221
7461	Miami Senior	1	2	4,002	-	-	4,002	-
7601	William H. Turner Ed. Center	1	1	1,250	-	-	1,250	299
South Region Schools/Centers								
6111	Cutler Bay Middle	1	2	3,025	1,100	-	1,925	-
7121	John A. Ferguson Sr.	2	2	3,479	1,129	-	2,350	1,162
Education Transformation Office (ETO) Schools/Centers								
2761	Martin L. King, Jr. Early Childhood Center	1	2	2,378	2,378	-	-	-
7231	Miami Carol City Senior	2	5	6,654	5,087	-	1,567	771
7251	Miami Central Senior	2	6	35,029	-	2,106	32,923	16,410
Adult Education Center								
7592	North Miami Senior Adult Ed. Center	1	1	1,997	1,997	-	-	-
		17	35	\$ 74,692	\$ 22,621	\$ 5,904	\$ 46,167	\$ 18,965

Note:

(a) "Other" equipment includes a golf cart; auto repair equipment; musical, medical and custodial equipment; and an air conditioning unit.

FINDINGS AND RECOMMENDATIONS

1. Discrepancies In ASC Program Recordkeeping And Supporting Documentation And Inadequate Controls Over The Receipting Of ASC Program Collections *Gertrude K. Edelman/Sabal Palm 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 student registration cards and record the attendance on the student attendance rosters. In addition, since collections are processed through the internal funds of the school, staff and administration must safeguard all records in a secure area, following the guidelines in Section II, Chapters 2 and 3 and Section V, Chapter 1 of the *Manual of Internal Fund Accounting*. The guidelines in Section II, Chapter 2 of the *Manual* specifically state that 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.

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* (WB) 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 requires 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.

In reference to overall working assignments and supervision of staff, School Board Policy 4130 *Assignments* indicates that staff acting in a supervisory capacity may not employ or directly supervise relatives at the same work location where they are employed.

This school implemented a Principal-Operated Fee-Based Before/After School Care/Community School Program at the start of the 2012-2013 fiscal year. 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 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 on the student attendance rosters on a daily basis.

Student registration cards 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.

During the 2012-2013 and 2013-2014 fiscal years up to June 2014, the newly implemented program generated total revenues of approximately \$48,400 and \$47,300 respectively. It included Before School Care, After School Care, Story Hour, and a small Summer Camp program.

In accordance with current guidelines, the revenues generated by the before and after school care activities are submitted to the District, and a portion of the net proceeds, or 75% is placed into the school's Community School's budgetary accounts to subsidize payroll expenditures of hourly paid employees hired to work for this program. For the 2012-2013 fiscal year, the fee-based program did not generate sufficient revenues to cover all hourly payroll expenditures, and closed the year with a deficit balance of approximately \$(7,000). At the end of the 2013-2014 fiscal year, the program had a positive balance of approximately \$5,900. Effective 2014-2015, the school discontinued the management of this program and turned it over to an outside child care provider.

Our review of the program activities for the 2012-2013 and 2013-2014 fiscal years disclosed many discrepancies in the recordkeeping and documentation supporting the collection of fees and student attendance (which included missing/incomplete records), inadequate controls over the process for receipting program collections, and a departure from the fee payment schedule established by the District for services rendered to the students. *Due to these conditions, we were unable to verify the accuracy of the revenues generated by the program and posted to the accounts. Although discrepancies noted are highly questionable, as explained in detail below, the available evidence was insufficient to establish that a misappropriation occurred. However, it was sufficient to establish that the former manager was negligent in the performance of her duties and the party responsible for the deficient recordkeeping of the program.*

All these discrepancies happened under the tenure of a former program manager who was terminated by the former Principal in November 2013, shortly after he discovered that financial records were missing and after receiving numerous complaints from parents regarding discrepancies with fees charged and receipts not being issued. At that time, the former Principal reported the incident to Miami-Dade School Police and removed the program manager from handling collections.

In addition to the bookkeeping deficiencies noted above, *we found that a close relative of the former program manager (her mother) was one of the activity leaders working for the After School Care Program under the direction and supervision of the former manager (her daughter). Similarly, the former Principal terminated this individual in November 2013.*

We were unable to interview the two individuals in question because they are no longer employed by the school system and were unavailable for interviews.

A new program manager was hired in late October 2013. Our review of the program's recordkeeping procedures and controls over the collection of fees under the new management from late October 2013 up to June 2014 did not disclose any of the unsatisfactory conditions previously noted.

Prior to our audit, the Office of Community Education and Before/After School Programs had conducted several school site visits to review the program and had informed the former Principal that program records were either incomplete or missing. During these visits, the former program manager was requested to produce the records; however, she did not comply with the requests.

Details follow:

- 1.1. *Records for the fee-supported program were incomplete, non-existent, or appeared to have been altered.* Regarding the overall condition of the records for the 2012-2013 and 2013-2014 fiscal years up to October 2013, we noted that student registration cards, student attendance rosters, student sign-out log sheets, subsidized child care records and Collections/Deposits Logs [FM-7249] were non-existent or not properly completed. For most of the student registration cards reviewed, the payment information was incomplete or not recorded in the registration cards. Some of the student registration cards could not be located at all. The new program manager had to re-create many of these records when she took over the program.

Receipts were not properly completed and it appears some were altered to disguise amounts collected. From our sample of 18 deposit packages dated between August 23, 2013 and October 23, 2013 we noted that 55 yellow copies of the three-part official receipts¹⁴ documenting the fees collected and included in the deposit package as supporting documentation *were partially or entirely*

¹⁴ An official receipt has three parts: the white (original) receipt (issued to the payee), the yellow receipt (included as part of the documentation supporting the deposit package), and the green receipt (attached to the receipt book on file at the school). In this case, the information recorded on the yellow and green copies coincided since the yellow was written in pencil and the green is a carbon copy of the yellow.

written in pencil. For the majority, amounts receipted did not coincide and were less than what should be collected for the service period indicated on the receipt (according to the fee payment schedule).

In two of the 55 instances identified during our review, the school was able to obtain from two parents the white part of the receipt, and we noted that it was *originally issued to a different parent/guardian, for a different student and for a different (higher) amount when compared to the yellow/green counterparts* of three-part receipt that were written in pencil and that were filed with the school records. *These two instances represented an unfavorable monetary discrepancy of \$236.* In five other instances, it appears that amounts were altered to disguise them as lesser amounts collected for a monetary shortfall of \$330 to \$390. However, we were unable to obtain the corresponding white part of the receipt to compare and determine the extent of the alteration, if any.

Regarding the safeguarding of collections, during the 2013-2014 and 2014-2015 fiscal years up to the time of our review, the school did not properly utilize the “Collections/Deposits Log” [FM-7249] to record ASC collections kept under custody of the school overnight/over the weekend awaiting delivery to the bank. Specifically, we noted that only one staff member would sign the log when placing monies in the safe place awaiting deposit the following business day.

- 1.2. *Controls over the process for receipting/documenting amounts collected/deposited were inadequate.* It appears that the former program manager was not always issuing receipts when payments were collected. According to the new program manager, parents complained that they had made cash payments to the former program manager for regular fees, late pickup fees and insurance, and were never issued a receipt. It also appears that some of these payments were collected by the mother of the former program manager and receipts were not issued, either. In addition, the former manager was not always attaching the computer-generated receipt produced by the system to the last green copy of the official receipt in the receipt book that corresponded to that collection.
- 1.3. *The fee payment schedule was not being observed.* For most instances reviewed, the fees collected by the school from program participants did not agree or adhere to the approved fee and bi-weekly payment schedule. In addition, parents claimed they were assessed a registration fee or received discounts; however, receipts were not issued. It also appears these discounts were given for cash payments.

RECOMMENDATIONS

In the event that this program resumes in the future as a Principal-Operated Fee-Based Program at this site, we recommend the following:

- 1.1. The school administration should ensure that staff in charge of the recordkeeping of the program and the collection of funds understands and is aware of the proper receipting and documentation procedures.**
- 1.2. The school administration should designate an administrator to oversee the day-to-day operation of the program to ensure it is operating smoothly.**
- 1.3. The administrator in charge should ensure that responsible staff is issuing receipts upon receipt of payment from parents/guardians; and that staff is recording/maintaining payment information on the student registration cards up-to-date, as well as recording entry/withdrawal dates and other payment information on the cards in a timely manner. The administrator must ensure that pen is used to write the information and that the information is not altered/changed on the receipts. In addition, all three parts of voided receipts must be maintained on file.**
- 1.4. The administrator in charge should discuss and enforce the schedule for collecting payments. Periodically, the administration should follow up when parents are not making payments according to the fee schedule; and should ensure that staff is timely following up and documenting instances of non-payment.**
- 1.5. The administrator in charge should discuss the requirements with staff to ensure that attendance rosters are properly completed and should periodically review these records to ensure adherence to procedures.**
- 1.6. The school administration should direct the administrator overseeing the program to conduct periodic reviews of the cards to ensure that payments and related information are being posted on a regular basis; and should periodically hold meetings with the administrator in charge to discuss the results of those reviews.**
- 1.7. The administrator in charge should ensure that records are maintained in a secure area and should monitor these records periodically.**
- 1.8. The school administration should strengthen the review and oversight of receipting/depositing activities and the Collections/Deposits Log to ensure that monies are timely receipted, deposited and recorded, especially for B/ASC Program collections.**

Person(s) Responsible:

Principal, After School Program Manager

Management Response:

At the start of the 2014-2015 school year, the Principal at the time made a decision to provide aftercare and before school care services through an outside approved agency, South Florida After School All Stars, Inc.

In the event that the Principal-Operated Fee-Supported Program should resume at this location, the Principal will review the Community School Procedures Manual and the Manual of Internal Fund Accounting with the Program Manager to ensure understanding and responsibilities regarding proper documenting, recording and collecting and receipting of ASC program collections. A receipt of acknowledgement from the Program Manager and affected staff will be kept on file.

In addition, the Principal will identify a school administrator to oversee the daily operations of the program and ensure staff is well-trained and thoroughly understands the procedures and guidelines to ensure program runs smoothly and that financial duties are adhered to.

Furthermore, the Principal will ensure that the administrator in charge enforces staff to issue receipts upon parent/guardian payment, that pen is used to write the information and that information of the receipts is not altered. Any anomalies will be corrected immediately.

Also, the Principal or designee will discuss and enforce the schedule for collecting payments, follow up with parents not making payments and ensure attendance rosters are properly completed.

Finally, the Principal or designee will hold regular meetings with the ASC Program administrator and direct him/her to conduct regular reviews of the cards to ensure payments are being posted on a timely basis and ensure records are maintained in a secure area.

Person(s) Responsible:

North Region Office Administration

Management Response:

Although the previous Principal made a decision to provide aftercare services through an outside agency (South Florida After School All Stars) beginning with the 2014-2015 school year, the North Region Office Financial/Business Operations Director and the new Principal established an organized plan for the Principal to implement and monitor should the school resume the Principal-Operated Fee-Supported Program. The

Principal will thoroughly review the Community School Procedures Manual and the Manual of Internal Fund Accounting with the Program Manager.

In addition, should the program resume, the Principal has been instructed to identify a school administrator to oversee the daily operations of the program, ensure staff is well-trained to thoroughly understand the job responsibilities and that regular reviews are in place to ensure the procedures are in compliance.

In addition, should the program resume, the Principal has been instructed to ensure that the program administrator enforces staff to issue receipts upon payment and that a schedule for collecting payments is established as well as a process to follow up with parents not making payments.

Furthermore, the North Region Office Financial/Business Operations 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:

The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Directors on mini-reviews conducted in selected areas of Payroll, Receipting and Depositing; Program Recordkeeping; Infant/Toddler Care; After-School and Community Program; Bid Requirements; Title I Grants and Purchases; PTA Activities and Property. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Affected Principals will participate in a yearlong fiscal management training;
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money Does Matter Support Program.

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

**2. Financial Activities
Of The School And
The School-Allied
Organization Not Clearly
Segregated
*Gertrude K. Edelman/Sabal Palm Elementary***

According to Section IV, Chapter 12 of the *Manual of Internal Fund Accounting*, faculty and other school staff who are members of school-allied organizations *chartered at the school where they are employed* should act mainly as liaisons between the school-allied organization and the school. Guidelines also state that these employees may not be check co-signers of the organization, be involved in handling of money or merchandise for the organization's fundraising efforts, or conduct fundraising activities during school hours.

Regarding donations made to the school, Section IV, Chapter 14 of the *Manual* states that monetary donations made by an individual, organization, or other group to any school and/or school-sponsored student class/club should be accompanied by a donation letter in order to document the donor's intent. Sound business practice dictates that these letters be signed by the donor(s) to establish the donor's identity, source and authority for making such donations.

- 2.1. During our audit visit, we found that the President of the Parent-Teacher Association (PTA) at this school site was a school staff member. Although the employee stated and we verified that this employee was not one of the school-allied organization's checking account co-signers, she did acknowledge that on occasion, she would collect monies on behalf of the PTA.
- 2.2. During the 2012-2013, 2013-2014 and 2014-2015 fiscal years up to the time of our visit, the school received three donations from the PTA; however, the letters accompanying the donations were not manually signed by the President or any of the PTA officers acting as representative for the PTA.

RECOMMENDATIONS

- 2.1. **The school administration should discuss the appropriate guidelines with staff to ensure understanding and awareness of the roles and responsibilities of staff and the interaction that can take place in support of a school-allied organization such as the PTA. Specifically, PTA activities held at the school should be conducted in such a way that are clearly distinguished from school-sponsored student/club activities.**
- 2.2. **The school administration should direct school site employees/staff not to engage in the collection of funds on behalf of the school's PTA.**

- 2.3. The school administration should request from the PTA that any donations made to the school be accompanied by a letter properly signed by the appropriate PTA representative.**

Person(s) Responsible:

Principal

Management Response:

The Principal met with PTA President/Data Input Specialist and reviewed the Manual of Internal Fund Accounting to ensure understanding and awareness of the roles and responsibilities regarding of staff and the interactions that can take place in support of school-allied organizations such as PTA. The Principal has instructed the Data Input Specialist (PTA President) to perform activities at the school in such a way that is clearly distinguished from school-sponsored student/club activities. Additionally, the Data Specialist, while acting in the capacity of PTA President, will discontinue collecting monies associated with the PTA.

Additionally, the Principal has directed school employees and staff not to engage in the collection of funds on behalf of the school's PTA. Finally, the Principal met with the PTA Board to ensure that a signed letter will accompany any donations made to the school in the future.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the new Principal established an organized plan for the PTA President/Data Input Specialist to thoroughly review the Manual of Internal Fund Accounting. The Principal has been instructed to make changes so that school staff no longer handles monies associated with the PTA.

In addition, the Principal was instructed to meet with the PTA Board to ensure that a signed letter will accompany any donations made to the school in the future. Also, the Principal will register for the District's Internal Funds training.

Furthermore, the North Region Office Financial/Business Operations 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 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Gertrude K. Edelman/Sabal Palm Elementary School*.

**3. Inadequate Controls Over
The Bookkeeping Function
Resulted In Errors And
Incomplete/Inadequate
Financial Records Of
The School
*Barbara Hawkins Elementary***

At this school, for the 2013-2014 fiscal year up to the date of our visit in May 2015, our review of the financial activity posted to the internal funds disclosed that the financial transactions associated with field trips were commingled in several accounts. This prevented the school from presenting a clear picture of revenues and expenditures corresponding to each field trip activity separately. In addition, the documentation supporting deposits and disbursements, as well as some of the miscellaneous transactions associated with the checking account was incomplete or non-existent. Regarding check signing procedures, our review of canceled checks disclosed a few instances where the administrator's signature on the check was forged. We found that the Treasurer was the individual who signed those checks on behalf of the administrator. In all three instances, the disbursements consisted of reimbursements to the Principal. In addition, the transfer of profits generated by the sale of school pictures exceeded established the 50 percent threshold established by District policy and written approval to do so was not on file.

It is important to note that the staff member performing the bookkeeping duties at this school has been employed in this capacity for the past 20 years. Some of the bookkeeping discrepancies identified during this audit and cited herein have been previously cited or discussed with the school. Details of the most predominant issues in 2013-2014 and 2014-2015 fiscal years up to November 2014 disclosed the following:

Pursuant to Section II, Chapter 2 of the *Manual of Internal Fund Accounting* (otherwise referred as *the Manual*), although the Principal is ultimately responsible for monitoring and administering the revenue generated from Internal Fund activities, the school Treasurer is the designated person for receiving, recording and depositing all funds collected, as well as maintaining the associated records.

The *Manual* delineates the various bookkeeping procedures that Treasurers must follow to provide uniformity and a clear accountability of the funds. Specifically, Section IV, Chapter 1 provides the general guidelines for posting the associated transactions to the automated system. When posting the related transactions, an adequate description should be included to be able to identify the nature/source of the transaction. In addition, the use of sub-ledger accounts is recommended to segregate revenues and expenditures of individual activities within the same account and provide a clear accountability. However:

- 3.1. In 2013-2014, the school conducted several field trips. Revenues and disbursements generated from these activities amounted to approximately \$11,600 and \$11,500 in the aggregate. These included a year-end activity to an amusement park out-of-county and several local field trips to the museum, the zoo, the circus and a movie theatre, among several others. Although field trip activity was segregated by grade configuration (i.e., Pre-Kindergarten, Kindergarten, First Grade, etc.) and posted to a Classes and Club and several Trust Fund-Field Trip accounts, the account posting descriptions were generic and individual activities were commingled in one or several accounts. This made our analysis of the individual activities' revenues and expenditures difficult to perform. In addition, not all the field trip documentation (including approvals) was on file.

Section II, Chapter 7 of the *Manual* requires that transactions related to the transfer of revenues between internal fund accounts and the posting of account adjustments (associated with earned interest revenue, funds transfers between the operational and investment accounts, the transmittal of revenues from the District to the internal funds checking account for vending commissions and similar bookkeeping transactions) be documented with a properly completed journal voucher (JV) signed by the school Principal to evidence authorization for the posting of the transaction. Nevertheless:

- 3.2. Our review of the journal voucher (JV) transactions posted to the system in 2013-2014 up to October 2014 disclosed that the corresponding Journal Voucher Form [FM-0992] detailing the transaction and requiring the signature of the principal/administrative designee was not prepared. We also reviewed the Journal Voucher Posting Log [FM-5684] listing all 42 transactions posted to the system during this time period and noted that a few were not listed.

Regarding check signing procedures, Section II, Chapter 5 requires that checks issued bear two signatures, one being that of the Principal or his/her designated administrator and the second being that of the Treasurer or authorized clerical designee. In the case of this school:

- 3.3. We reviewed the images of all canceled checks for the audit period up to November 2014 and found that the administrative signature on three checks and the related Check Requisition Form [FM-0992] and Internal Fund Purchase Order [FM-1012] was forged. All three checks totaling approximately \$470 were issued to the Principal as reimbursements for school-related expenditures. According to the Principal, the administrative designee with check signing privileges was on extended leave; however, on occasion, she would come by the school or the Treasurer would go to her house to have the check signed by the designee if the check was issued to the Principal. The Principal also stated that she was not aware that the administrator on leave had given the Treasurer permission to sign the checks on her behalf. During this time, an alternate administrator had been

assigned to the school; however, the school had not updated the bank's signature card to include this individual's signature.

The collection, recording, and depositing of money generated from Internal Fund activities is delineated in Section II, Chapters 2 and 3 of the *Manual*. Specifically, 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; and official receipts should be issued for individual collections of \$15 or more. These documents are the backbone of the deposit package. Contrary to established procedure:

- 3.4. Our review of receipts disclosed instances where official receipts were completed but not dated, or receipts were not issued for individual collections of \$15 or more. In addition, Recap of Collection [FM-1004] forms were incomplete. Specifically, they were missing the date, signatures and/or computer generated receipt number.

Section II, Chapters 4 and 5 require that before a purchase is made, the use of an Internal Fund Purchase Order [FM-1012], authorized by the Principal and processed by the school Treasurer is required for all purchases of goods, supplies, etc., costing \$100 or more. In addition, disbursement documentation should include an itemized invoice signed by the individual who received the merchandise/services to indicate acknowledgement of receipt of goods or services.

- 3.5. For the 2013-2014 and 2014-2015 fiscal year up to November 2014, purchase orders were not recorded in the automated system for any individual purchases of \$100 or more to encumber the funds. From our sample of disbursements, we noted that a few were documented with purchase orders that were manually prepared; however, not recorded in the system. In addition, from our sample we noted that a few of the invoices were not stamped/signed to indicate the receipt of goods or services.

Lastly, Section IV, Chapter 4 of the *Manual* establishes the policies and procedures regarding the school pictures activity. According to policy, a transfer of up to 50 percent of the profits from the general school pictures activity, including class school pictures, may be made to the Special Purpose account (generally for hospitality-related expenditures). Under special circumstances of financial need, written approval from region and district administration must be obtained, and written documentation of this approval must be maintained on file for transfers exceeding the threshold up to 100 percent. Regarding this particular matter:

- 3.6. Similar to results in a prior audit, our review of the school pictures activity for the 2013-2014 fiscal year disclosed that the school transferred 100 percent of the profits from the sale of school pictures to the Trust Fund-Special Purpose

account; however, the requisite written approval from region and district administrations was not on file. The excess transferred was approximately \$480.

RECOMMENDATIONS

- 3.1. The Principal should request assistance from the Division of Internal Fund Accounting to discuss the activities for the coming year and map out the accounts to be utilized for the different field trip and year-end activities to prevent the commingling of funds.
- 3.2. The Principal and Treasurer would benefit from additional training in Internal Funds to improve bookkeeping procedures.
- 3.3. The Principal should periodically review the internal funds records with the Treasurer to strengthen control over the bookkeeping of the funds and the financial records, and resolve discrepancies in a timely manner.

Person(s) Responsible:

Principal, Secretary/Treasurer

Management Response:

The Principal has met with the Secretary/Treasurer to review the Manual of Internal Fund Accounting to ensure the understanding and responsibilities regarding proper bookkeeping procedures are in place and changes have been made to correct the process and ensure that the proper required signatures are obtained on each check.

Additionally, a meeting was held with the school's Internal Funds Business Manager to assist with the monitoring and separation of the individual accounts and to discuss activities for the coming year while mapping accounts that will be utilized.

The Principal will monitor the internal fund accounts on a weekly basis by having the Treasurer pull the accounts and the Principal will monitor each Internal Account activity on a weekly basis.

The Principal has worked with the Secretary/Treasurer and sub-ledgers have been created for the coming school year to assure that co-mingling of revenues from each grade are not posted to a class and club account, but rather to that specific activity.

Also, the Principal has established with the Secretary/Treasurer that the corresponding Journal Voucher Form detailing the transaction will be attached to the Journal Voucher Posting Log before the completion of the transaction and the Principal's signature is obtained.

Furthermore, the Principal will ensure that at the beginning of the school year, faculty and staff are trained on the procedures of collecting money. Individuals will receive a

receipt book and a Recap of Collections form for individual collections of \$15 or more. Lastly, the Principal will ensure that purchase orders are recorded for any individual purchases of \$100 or more.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Secretary/Treasurer and develop a systematic approach to ensure that bookkeeping functions are completed properly and that financial records are maintained adequately. The Principal will schedule a meeting with the District's Internal Funds Business Manager to assistance with organizing and monitoring the process as well.

The Principal has been instructed to devise a schedule in which she will monitor the internal funds accounts on a weekly basis with the Secretary/Treasurer to assure there are no co-mingling of funds, that revenues are posted accordingly, and that Journal Voucher Forms are completed accurately. Also, the Principal has been instructed to train faculty and staff on the procedures for collecting money and utilizing Recap of Collection forms.

In addition, the Principal and Secretary/Treasurer have been instructed to register for the District's Internal Funds training.

Furthermore, the North Region Office Financial/Business Operations 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 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Barbara Hawkins Elementary School*.

**4. Grant Funds
Not Spent
In Accordance
With Stipulated
Grant Guidelines
*Barbara Hawkins Elementary***

According to Section III, Chapter 4 of the *Manual of Internal Fund Accounting*, monies placed in Trust Fund accounts (such as designated grants and donations) shall be expended only for the purpose for which they are collected and received, unless the donor/grantor designates an alternative purpose *in writing*. Additionally, the spending of these funds must comply with the grantor's reporting guidelines and timelines.

A similar matter was cited or discussed in the school audit reports published in 2013 and 2014. This year's audit results illustrate the follow-up to the specific grant discussed in the prior two audits.

During the 2011-2012 fiscal year, this school received a grant totaling \$5,000 to implement initiatives related to improving health and physical activities of faculty and students. At the end of June 2014, there was a remaining (unspent) balance of \$2,567 from this grant; however, the grant deadline had expired. Relevant grant information is depicted in the following table:

Beginning Balance July 1, 2014 (Carryover From Previous Year)	Additional Funds Received In 2014-2015	Grant Funds Available In 2014-2015	Funds Spent As Of 9/30 Deadline	Carryover Balance (as of May 2015)	Deadline Extended By Grantors To Spend Funds
\$2,567	-	\$2,567	\$2,557	\$10	9/30/2014

In the individual school audit report published in June 2014, we discussed the grant expiration date and recommended the school administration to contact the grantor for an additional extension to spend the funds. An extension to September 30, 2014 was granted. Our follow-up to this pending issue disclosed the following discrepancies:

The school had not spent funds in accordance with amounts stipulated in the grant's document. Specifically, of \$2,557, the school had spent \$1,075 on hospitality-related meals for faculty and staff, instead of spending the funds on healthy snacks. The remainder or \$1,482 was spent on T-shirts that were supposedly given to staff and students as incentives (no complimentary lists provided). Along with the final report of expenditures submitted to the grantor on September 30, 2014, the school submitted a request to change the intent of the grant in order to align it with the type of expenditures incurred in 2014-2015 (after-the-fact).

RECOMMENDATIONS

We again make the following recommendations:

- 4.1. The school administration should direct staff to spend grant funds following the intent of the grant and by established deadlines.
- 4.2. Going forward, the school should ensure that grantors are contacted and the school receives prior written approval regarding any changes to the intent of the use of the grant.

Person(s) Responsible:

Principal, Secretary/Treasurer

Management Response:

The Principal has met with the Secretary/Treasurer to review the Manual of Internal Fund Accounting to ensure understanding and responsibilities regarding proper grant fund spending. In addition, procedures for meeting grant deadlines and requesting an extension from the grantor were reviewed. A receipt acknowledging policies and procedures was obtained.

The Principal also reviewed with the Secretary/Treasurer the process of obtaining prior written approval should any changes need to be made regarding the intended use of the grant.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations 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 Secretary/Treasurer.

The Principal has been directed to meet regularly with the Secretary/Treasurer to ensure that grant deadlines are met and that requests for grant extensions or changes to the intended use of the grant are requested in a timely manner.

Furthermore, the North Region Office Financial/Business Operations 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 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Barbara Hawkins Elementary School*.

**5. Inadequate Controls
Over Disbursements Made
With The Purchasing
Credit Card Or Internal Funds
Resulted In Documentation
That Was Incomplete And
Non-Compliant With
Bid Requirements
And Title I Program
Requirements
*Barbara Hawkins Elementary***

The *Purchasing Card Program Policies and Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction. Current P-Card District guidelines strictly prohibit the purchase of furniture, fixture, and equipment (FF&E) with an individual value of \$1,000 or more due to inventory property control requirements (which require the tagging of School Board owned equipment) with an individual value of \$1,000 or more.

Our review of P-Card reconciliations for the 2013-2014 and the 2014-2015 fiscal years up to October 2014 disclosed the following discrepancies:

- 5.1. In August 2014, the school purchased a laminating machine and a poster maker machine. Both items had an individual cost exceeding \$1,000. The aggregate cost of the equipment was approximately \$3,450.

At the end of the month, P-Card charges are reconciled by charging the expenditures to the appropriate district accounts. Regarding the source of funding used to cover the P-card expenditures, we noted that:

- 5.2. The equipment noted above was purchased with Title I Program funds. However, the equipment was not charged to a capitalized equipment account (as it should have been) but to a supplies account.

According to Section 2 of the *Manual of Property Control Procedures*, equipment acquisitions not processed through the customary central district procurement channels/processes are reported on and Incoming Control Equipment Form [FM-1669] to request the tagging of the equipment for inventory control purposes. In the case of these P-card purchases of capitalized equipment:

- 5.3. The equipment was not tagged for property inventory control purposes. At our request, the school completed an Incoming Controlled Equipment Form [FM-1699] to request the tagging of the equipment for inventory purposes.

Regarding the individual purchases, pursuant to School Board Policy 6320 *Purchasing*, all purchases for non-bid items of \$1,000 or more but less than or equal to \$50,000 require three (3) quotations must be solicited, and if possible, at least one of these quotations must be from a Minority/Women Business Enterprise. The quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected. In addition, work locations are prohibited from splitting purchases, through separate consecutive transactions in order to bypass the \$3,000 single transaction limit or the \$1,000 threshold for bidding procedures.

- 5.4. In five instances, there was no documentary evidence on file to demonstrate that the school had obtained three written quotations (including one from a certified minority enterprise) to justify the selection of the vendor and show that the lowest quotation was selected. The purchases were made between July 2013 and August 2014 for ink cartridges. The total amount of all these charges was approximately \$7,200.

Similarly for internal fund purchases, 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 quotations must be solicited. One of these quotations must be from a certified minority enterprise. The written quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected.

- 5.5. Our sample of several purchases made with internal funds disclosed one additional instance where, similarly to the P-card purchases, three written quotations (including one from a certified minority enterprise) to justify the selection of the vendor and show that the lowest quotation were not on file. In this case, the purchase was for T-shirts.

RECOMMENDATIONS

- 5.1. **The school administration should direct staff not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more.**
- 5.2. **The school administration should discuss the *Purchasing Card Program* guidelines and *Title I Administration Handbook* with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District policy.**

- 5.3. 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 must be from a certified minority enterprise; and 2) the lowest quotation is selected.**

Person(s) Responsible:

Principal, Secretary/Treasurer

Management Response:

The Principal has reviewed and thoroughly discussed the internal funds audit report with the Secretary/Treasurer and reviewed all procedures as outlined in the Purchasing Card Program Policies and Procedures Manual and the Title I Administration Handbook.

The Principal will meet regularly with the Secretary/Treasurer to ensure that three documented quotes/bids are obtained, including one minority vendor, when an individual purchase is over \$1,000 and the invoice will be attached to the bid. Once the quotes/bids have been obtained, the lowest quote/bid will be used.

The Principal met and discussed with the Treasurer that equipment with an individual acquisition cost of \$1,000 or more will not be purchased with the P-Card. In the future, this equipment will be purchased through the district procurement channels and charged to an equipment account to ensure it is tagged for inventory control purposes.

The Principal has implemented corrective and preventive strategies to prevent reoccurrence of similar expenditures in future audits.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Purchasing Credit Card Program Policies and Procedures Manual and the Title I Administration Handbook with the Secretary/Treasurer.

The Principal has been instructed to meet regularly with the Secretary/Treasurer to ensure that documented quotes/bids are obtained, including one minority vendor, when a purchase is over \$1,000 and that they will be kept on file with invoice attached.

In addition, the Principal will meet regularly with the Secretary/Treasurer to ensure that when equipment is purchased with Title I Funds, it is charged to a capital equipment account versus a supplies account.

Furthermore, the North Region Office Financial/Business Operations 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 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Barbara Hawkins Elementary School*.

6. Inadequate Controls Over Disbursements *Hialeah Elementary*

A similar item was discussed with the school administration during the prior two audits. Therefore, is critical that the school administration emphasize these matters to faculty and staff involved with procurement matters to ensure that written quotations and purchase order requirements are observed.

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 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 documentation to show that the lowest price was selected. The use of split purchases to circumvent bid requirements is specifically forbidden.

In addition, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that before a purchase is made, the use of an Internal Fund Purchase Order [FM-1012], authorized by the Principal and processed by the school Treasurer is required for all purchases of goods, supplies, etc., costing \$100 or more. In addition, payments to vendors must be made within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing.

As follow-up to our prior year audit in March 2014, we sampled disbursements for the audit period and the current year 2014-2015 up to December 2014. Our review continued to disclose discrepancies similar to those identified in the previous audits. Details are as follows:

- 6.1. School staff placed orders with vendors and split the orders into several smaller orders of less than \$1,000 each to circumvent the requirement for obtaining three written vendor quotations, including one from a certified minority enterprise. We identified two separate such instances during our review. Specifically, the school purchased physical education equipment and supplies totaling approximately \$1,200. This was split into three separate orders of less than \$1,000 each and paid with three separate checks. Similarly, the school purchased T-shirts and field day supplies totaling approximately \$2,700, and the order was split and paid into three separate payments of less than \$1,000 each. No quotations were filed for any of these purchases.

According to school staff, the staff member who ordered the physical education equipment, T-shirts, and supplies had engaged the vendor without first requesting approval via a purchase order, had split the order without staff's

knowledge and had not provided the corresponding invoices for payment until later.

- 6.2. The *Internal Fund Purchase Orders* [FM-1012] for some of the split purchases were prepared and signed after the invoices were brought to staff's attention. In addition, one the invoices was paid late to the vendor.

RECOMMENDATIONS

- 6.1. The school administration should review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.
- 6.2. The school administration should strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements, including the preparation, approval and posting of purchase orders to the system.
- 6.3. The school administration should direct staff to ensure that purchase orders are prepared and signed timely and vendors are paid in a timely manner.

Person(s) Responsible:

Principal and Treasurer

Management Response:

The Principal, Assistant Principal and Treasurer 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 Principal met with the Treasurer immediately after the audit completion and reviewed the responsibilities of each staff member as delineated in the Manual of Internal Fund Accounting. In addition, the employee who continued to make unauthorized purchases even after they were instructed not to will no longer be authorized to create orders or deal with finances in the school. A meeting is planned to occur during the opening of schools meeting, the Principal will review policies and procedures of internal fund accounting with the staff to ensure understanding and awareness of appropriate requirements implemented by the District in regards to disbursements.

The Principal will review and authorize all future purchases to ensure compliance with the disbursement documentation requirements, before they are submitted to the school treasurer.

The Principal has directed the treasurer to prepare and sign purchase orders on the day the order is placed and ensure invoices are paid within 30 days of the purchase. If an order arrives to the school without prior knowledge of such order, the Treasurer will notify the Principal and the order will be returned to the vendors and will not be paid.

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

Management Response:

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor funds.
- 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 internal funds records are properly maintained.

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

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Hialeah Elementary School*.

**7. Non-Compliance
With Certain School Site
Informational Technology
Data Security Controls
*Hialeah Elementary***

Every month, Information Technology Services (ITS) prints and electronically distributes to the schools a report titled *Authorized Applications for Employees by Locations*. This report provides a listing of employees with access to certain computer applications. According to the guidelines, principals are required to review this monthly report to ensure that access to the system is restricted and limited to staff as required by their job duties and as delineated by District policy.

Pursuant to memoranda from School Operations and our office, and *Weekly Briefing* (WB) No. 1120 (issued in October 2006), current access to the system application for changing grades (ISIS-ACAD GRAD/TRACE UPD) is limited to *three staff approvers (namely, the Principal, an Assistant Principal and the Registrar)*. This was designed to protect the system from unauthorized access to students' grades. In addition, *Weekly Briefing* (WB) No. 7784 (issued in April 2010), access to the Electronic Gradebook applications such as the Electronic Grade Book Attendance (WGBA) and Electronic Grade Book Manager (WGBM) are currently restricted to five staff approvers (namely, the Principal, Assistant Principal, Registrar or individual performing duties of the Registrar, one primary Gradebook Manager/Attendance Manager (instructional or clerical staff only), and one clerical staff member selected by the Principal).

Regarding authorization to the *Quad A* security access application, according to ITS' *Quad A User Guide* (dated July 2008), *authorizing administrators have been defined as: all school principals, administrators at the director level in non-school site locations, and the highest ranking administrator of work sites not having a director or above*. The guide also states *that this responsibility cannot be delegated*. This authorization was designed to give a work site administrator control over the authorization of employees at that work location to the M-DCPS computer system by indicating which system each employee is authorized to use. *In simple terms, this application gives a user the ability to authorize or cancel authorizations from other users, based on the computer applications that the user already has*.

Our review of the most current "*Authorized Applications for Employees by Locations*" report dated May 15, 2015 disclosed that:

- 7.1. The number of employees with access to the application for changing student grades in ISIS (ISIS-ACAD GRD/TRACE UPD) was four; *however, the user threshold is no more than three: Principal, Assistant Principal and Registrar or*

acting Registrar. In addition, two of the employees listed in the report with access to this application are no longer employed at this location.

- 7.2. Regarding the Electronic Grade Book Attendance (WGBA) application, the report listed nine employees with access to this application; however, the user threshold is no more than five. Employees listed with access to WGBA included the Treasurer, as well as three employees who retired from the school system and are no longer employed at this or any other school location.
- 7.3. Regarding the Electronic Grade Book Manager (WGBM) application, the report listed six employees with access to the application; however, the user threshold is no more than five. Three of those listed with access to WGBM are the same employees with access to WGBA who retired some time ago and no longer work for the school system.
- 7.4. The former Principal (who is currently retired) continued to be listed as having access to several computer applications related to this school site. These included *Quad A* security access. This former employee has not worked at this location since January 2013.

It is evident that this report has not been reviewed carefully to ensure that staff members are currently employed at the work location, and that system access is required of their current job assignments. We brought these matters to the attention of the school administration during the audit, and access to the applications in question has been revoked for the employees in question.

RECOMMENDATION

7. **Going forward, the school administration *should carefully review the monthly report titled *Authorized Applications for Employees by Locations** Report to ensure that access to school site computer applications is adequately restricted, and any changes to staff's access to these applications remain compliant with current District guidelines. Also, access should be revoked for any employees no longer working at this location.**

Person(s) Responsible:

Principal

Management Response:

Immediately after the audit completion the Principal removed all authorizations and only authorized employees to comply with District guidelines. Moving forward the Principal will carefully review the monthly report to ensure that access to school site computer applications is adequately restricted.

Person(s) Responsible:

Central Region Office Administration

Management Response:

- The affected Principal 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 in collaboration with the appropriate district office will coordinate a support system for the Principal and designee to ensure that school site computer applications comply with District guidelines.
- The Principal will be directed to notify the Central Region Office Financial/Business Operations Administrative Director each month at the completion of the review of the "Applications for Employees by Locations" Report.

Person(s) Responsible:

School Operations Administration

Management Response;

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Hialeah Elementary School*.

**8. Inadequate Controls Over
Property Inventory Resulted
In Loss Of Equipment
*Shenandoah Middle***

The *Manual of Property Control Procedures* establishes the guidelines for recording and managing property. According to Section 4 and pursuant to Chapter 10.400 of the Auditor General, State of Florida, an inventory of all property shall be taken once every fiscal year. Items on record which cannot be found will be listed as “unlocated” and reported accordingly. 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”.

At this school, our most recent property inventory, which we completed in April 2015, consisted of the physical verification of 463 property items with an individual value of \$1,000 or more, for a total acquisition value of \$831,964¹⁵.

Our physical verification of the property disclosed that of the 463 inventoried items, ten (10) items with an aggregate depreciated value of zero dollars (\$0) and an acquisition value of \$13,056 could not be accounted for and are reported as “unlocated”.

Type of Equipment	Qty.	Year Acquired	Acquisition Value	Depreciated Value
Laptops	10	2005 and 2007	\$ 13,056	\$ 0
Total	10		\$ 13,056	\$ 0

All ten items consisted of Apple laptops acquired in December 2005 and June 2007. Their acquisition values ranged between \$1,035 and \$1,840; however, because of their age, they were fully depreciated. According to the school administration, these laptops were in storage since they were no longer operational. The items in question were discovered missing during the property audit visit and deemed stolen by the school administration. The school reported this incident to M-DCPS Police subsequent to the property audit.

RECOMMENDATIONS

- 8.1. The school administration should devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.**

¹⁵ Inventory results reported on page 35 of the Property Schedules.

- 8.2. The school administration should ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.**
- 8.3. The monitoring and accounting of property should be strengthened by conducting in-house property inventories periodically to identify discrepancies and resolve them in a timely manner.**
- 8.4. The equipment should be assessed periodically to ensure that equipment deemed obsolete is properly and timely removed from the inventory.**

Person(s) Responsible:

**Principal, Assistant Principal,
and Property Management Staff**

Management Response:

In order to ensure that property control procedures will result in the proper location, control and safeguarding of all physical property, the Principal has implemented corrective measures and preventive strategies. The Principal will meet with the Inventory Team Members, the Assistant Principal, the Lead Teacher, the Microsystems Technician, the Head Custodian, and the Media Specialist to review the Manual of Property Control Procedures and the school's corrective action plan. The Assistant Principal will be assigned to manage the school's property, with oversight from the Principal.

In August 2015, the Principal will meet with faculty and staff to review proper property inventory procedures. The review will address the movement of property from one room to another, reporting procedures when property is found un-located, as well as procedures for temporary off-campus removal of property. All property assigned to a staff member for off-site use must have the Principal's approval and must be properly documented with the required off-campus forms.

The Principal will review established property management procedures with the staff at the monthly faculty/staff meetings. Specific areas of compliance will be reviewed during these meetings as outlined in the Manual of Property Control Procedures. Staff will be reminded to immediately report any property discrepancy to the Assistant Principal.

Quarterly school site mini-reviews will be conducted to monitor property inventory. After each mini-review, the Principal will meet with the members of the Inventory Team to discuss the results of the mini-review. Any discrepancy will immediately be reported for proper follow-up and corrective action.

All inventoried items will be assessed on a quarterly basis by the members of the Inventory Team to ensure that equipment deemed obsolete is properly and timely removed from the inventory. The Assistant Principal will complete the Outgoing Controlled Equipment Form to remove the obsolete inventoried items from the school's property control list. While awaiting the removal of property from the property control list, the inventoried items will be stored in a high security room.

Implementation of this plan will ensure that property control procedures will result in the proper location, control and safeguarding of all physical property at Shenandoah Middle School.

Person(s) Responsible:

Central Region Administration

Management Response:

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor property.
- 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 the safeguarding of assets and the management of property.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Shenandoah Middle School*.

**9. Inadequate Controls Over
The Receipting Of
Before/After School Care
And Community School
Program Collections
Leewood K-8 Center**

The *Community School Procedures Manual* outlines the procedures for operating a Before/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 student registration cards and record the attendance on the student attendance rosters.

Section II, Chapters 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 *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. In addition to a *Recap of Collections* form, individual collections of \$15 or more must also be supported by issuing official receipts.

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* (WB) 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 also requires 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.

This school has a Principal-Operated Fee-Based Before/After School Care/Community School Program (B/ASC/CS). 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 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 *at the time of collection*. During the 2013-2014 fiscal year, the program generated total revenues of approximately \$256,000.

Our review of a sample of student registration cards and attendance rosters corresponding to the 2013-2014 and 2014-2015 fiscal years up to February 2015 disclosed that, although nothing came to our attention to indicate that monies were missing, we found that program staff members were not following the proper procedures for receipting and depositing B/ASC/CS Program collections. During the audit visit, we found that staff members from the After School Care Program were not always issuing official receipts to payees immediately upon receipt of monies collected and were not recording collections held overnight pending deposit.

- 9.1. After our inquiries, we found that fees collected in the afternoon after the Community School Specialist left for the day¹⁶ were received by a part-time employee¹⁷ who would attach the payment to the corresponding student registration card. The part-time employee would store the fees collected (cash or checks) along with the student registration card in a locked drawer until the next day. The next day, the Community School Specialist would retrieve the collections from the locked drawer and would prepare the official receipts *using the current date as the date of collections*. Later in the day, the Community School Specialist would take the collections to the bank, and would submit the deposit records and supporting documentation to the Treasurer to post the corresponding transactions in the automated system.
- 9.2. According to staff, the official receipts would be distributed to the parents the next day or placed in the students' backpacks to give to the parents.
- 9.3. Collections held overnight were not recorded in the Collections/Deposits Log [FM-7249] to document monies left overnight at the school.

RECOMMENDATIONS

- 9.1. **The school administration should ensure that staff in charge of the recordkeeping of the program and the collection of funds understands and is aware of the proper receipting and documentation procedures.**
- 9.2. **The administrator in charge should ensure that responsible staff is issuing receipts upon receipt of payment from parents/guardians; and that staff is recording/maintaining payment information on the student registration cards up-to-date.**

¹⁶ The Community School Specialist works from 7:30 a.m. to 3:30 p.m.

¹⁷ The part-time employee works from 1:00 p.m. to 6:00 p.m.

9.3. Collections held overnight should be recorded in the Collections/Deposits Log [FM-7249] and should be properly verified and logged by two employees when placing them in a safe place and when removing them from the safe place.

Person(s) Responsible: Principal, Community School Specialist,
Treasurer, After School Care Program Managers,
and After School Care Clerk

Management Response:

In order to ensure compliance with receipting and depositing procedures, on April 24, 2015, the Principal met with the Community School Specialist, After School Care Program Managers, and the Treasurer to review, Section II, Chapter 2, of the Manual of Internal Fund Accounting which establishes the procedures for the collection of monies at the school. Furthermore, the Principal provided them a copy of Weekly Briefing #5164 (Policies and Procedures on Safeguarding Funds at Schools) dated November 6, 2008, and requested a receipt acknowledging policy and procedures.

Additionally, effective April 24, 2015, the Community School Specialist was hired in a part-time position from 3:30 p.m.-6:00 p.m. in After School Care in order to ensure that appropriate staff is available to issue receipts to parents/guardians at the time of payment. The Community School Specialist will ensure that payment information is recorded/maintained on the student registration cards and that cards are up-to-date.

On April 28, 2015, the Principal reviewed the proper utilization of the Collections/Deposit Log with staff. Funds collected to be held overnight will be verified, recorded and logged by the Community School Specialist and the After School Care Manager when placing in the bolted safe. The Principal will meet monthly with staff to ensure adherence to the procedures as outlined in the Manual of Internal Fund Accounting.

Person(s) Responsible: South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting and the Weekly Briefing No. 5164 and develop a systemic plan for ensuring the proper collection and receipting of funds related to the Before/After School Care and Community School Program to ensure the proper safeguarding of the school's funds.

The South Region Office Financial/Business Operations Administrative Director, cooperatively with the Principal, will schedule technical training with staff from the Office of Community Education for essential staff.

Principals will participate in the year round Fiscal Management Program.

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

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Leewood K-8 Center*.

**10. Inadequate Recordkeeping
And Documenting
Of Payroll
Attendance
*Frank C. Martin K-8 Center***

Similar payroll issues were cited or discussed in the prior two audit reports. Although the number of instances of non-compliance has decreased when compared to prior audit results, it is critical that the school administration emphasize these matters to faculty and staff for understanding and to ensure that the proper payroll procedures are observed.

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.

Procedures require that part-time and full-time employees reflect their attendance in the attendance rosters by noting their initials (full-time) or the time in/out (part-time).

At this school, the Principal supervises and approves the payroll. As a follow up to prior audit results, we reviewed the Daily Payroll Attendance Sheets for several current pay periods, which included the pay period in effect at the time of the audit visit in February 2014 and noted the following discrepancies:

A total of 14 full-time employees (both instructional and non-instructional) were present for one or more days, but had not indicated their presence on the Daily Payroll Attendance Sheets while they were in attendance at the worksite. The discrepancies represented a total of 27 instances for 14 employees. Similarly, on the day of our review of sign-in procedures, two part-time employees had not properly signed in or out either one or two days. According to the Principal, all employees in question were in attendance.

RECOMMENDATIONS

We again recommend the following:

- 10.1. Review sign-in procedures with full-time and part-time employees to ensure understanding, awareness and future compliance.**

10.2. Strengthen the overall review of the payroll to ensure that employee attendance is accurately reflected in the attendance rosters.

10.3. Periodically review the sign in sheets to ensure that employees are recording their attendance as required; and promptly discuss with staff any non-compliance with payroll sign-in procedures to ensure understanding and implement corrective action.

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

Management Response:

In review of the findings and recommendations reported, the current administration will take immediate action to enforce proper procedures and ensure compliance with the expectations of the District.

Specifically, the Principal met with the Payroll Clerk on March 9, 2015 to discuss the continued practice of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. All payroll sheets will be randomly reviewed the Principal and/or the Payroll Clerk after the start of the regular work day and at various times throughout the day. Employees will be notified immediately via written memorandum should a discrepancy in procedure be found. Employees will be required to inform the Principal in writing, why the required payroll procedure was not adhered to. Following two written memorandums, the employee will meet with the Principal to discuss repeated violations. Subsequent violations will result in written directives and may result in further disciplinary actions. Additionally, a Payroll Discrepancy binder is being maintained to determine and record the frequency of repeated discrepancies.

Additionally, during the March 10, 2015, faculty meeting, the Principal explained the requirements of accurate payroll procedures with all faculty members. It was expressed that failure to comply will result in progressive discipline to ensure compliance.

All payroll sign-in rosters have been moved to a central location outside of the Principal's office to allow for regular, accurate monitoring. The Principal will ensure daily monitoring and compliance.

During the Opening of School 2015 faculty meeting written notification will be issued to all faculty and staff explicitly describing the expected procedures for signing in/out. Faculty and staff will be required to sign for the notification, acknowledging understanding and intent to comply.

Person(s) Responsible:

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 addressing staff that do not adhere to the guidelines for signing in and out, as required, on a daily basis. 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 and unannounced 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.

Principals will participate in the year round Fiscal Management Program.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Frank C. Martin K-8 Center*.

**11. Purchases Made
With Internal Funds
Or Purchasing Card
(P-Card) Not Compliant
With Procurement
Guidelines
*Miami Arts Studio 6-12 @ Zelda Glazer***

Pursuant to School Board Policy 6610 *Internal Accounts* (for internal fund purchases) and School Board Policy 6320 *Purchasing* (for P-Card purchases), individual purchases of \$1,000 or more but less than \$50,000, require that at least three (3) written quotations must be solicited. One of these quotations **must** be from a certified minority enterprise. The written quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected. In addition, current P-Card guidelines strictly prohibit the use of the P-Card to procure furniture, fixture, and equipment (FF&E) with an individual value of \$1,000 or more due to inventory property control requirements (which require the tagging of School Board owned equipment).

There was a change of principal at this school in August 2013. These issues occurred under the tenure of the current administration. Our review of disbursements made with internal funds or the school's P-Card disclosed the following non-compliance with established procedures:

- 11.1. A sample of disbursements posted to the internal funds of the school during the 2013-2014 and 2014-2015 fiscal years up to December 2014 disclosed five instances where individual purchases of \$1,000 or more were documented with three written quotations; *however, none was from a certified minority enterprise*. In one other instance, written quotations were not filed. The purchases in question consisted of dancewear, supplies for musical instruments, toner, a field trip, a stage curtain and stage props.
- 11.2. P-Card purchases made during the months of August 2014, October 2014 and January 2015 disclosed that the school improperly purchased computer equipment and two camcorders with an individual value of \$1,000 or more. In addition, only two of three written quotations were presented for the camcorders, the lowest quote was not selected, and none was from a certified minority enterprise. Regarding the computer equipment, three written quotations were provided; however, none was from a certified minority enterprise.

According to Section 2 of the *Manual of Property Control Procedures*, equipment acquisitions not processed through the customary central district procurement channels/processes are reported on an Incoming Control Equipment Form [FM-1669] to request the tagging of the equipment for inventory control purposes.

- 11.3. The equipment purchased with the P-Card was not tagged for inventory control purposes. At our request, the school completed an Incoming Controlled Equipment Form [FM-1699] to request the tagging of the equipment for inventory purposes.

Additionally, according to P-Card guidelines, schools should not make purchases of items customarily purchased through M-DCPS Stores & Mail Distribution¹⁸.

- 11.4. The school used the P-Card to purchase 50 cases of copy paper totaling \$1,475. This type of purchase should be made from Stores & Mail Distribution.

RECOMMENDATIONS

- 11.1. 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 must be from a certified minority enterprise; and 2) the lowest quotation is selected.
- 11.2. The school administration should direct staff not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more, or supply items customarily procured via M-DCPS Stores & Mail Distribution.

Person(s) Responsible:

Principal, Assistant Principals,
Treasurer, Magnet Lead Teacher,
Club Sponsor(s), Department Chairperson(s),
and Program Staff

Management Response:

In order to ensure compliance with the Purchasing Card guidelines, the Principal has implemented a streamlined process for purchasing and use of the P-Card.

The Principal met with the Assistant Principals and the Treasurer on June 8, 2015, to review the findings and recommendations of the audit report along with School Board Policy 6610 Internal Accounts and School Board Policy 6320 *Purchasing*. Furthermore, the Principal reviewed the *Purchasing Card Program Policies and Procedures Manual* with the Assistant Principals and the Treasurer. Effective immediately, the purchasing process for the 2015-2016 school year has been streamlined. On June 8, 2015, the Administration created a purchasing checklist, which must be attached to all purchase requisition. Subsequently, a checks and balances system has been implemented to

¹⁸Stores and Mail Distribution (S&MD) is the cost center responsible for maintaining and supplying office and teaching supplies, equipment, and printed forms used by the school system. S&MD also operates the mail service for the school system, and stores and distributes textbooks.

ensure that all purchases adhere to the Manual of Internal Fund Accounting and all School Board Rules pertinent to expenditures. A designated administrator will review all purchases over \$1,000 using the in-house checklist before submitting the request to the Principal. The Principal will then review the purchasing checklists, quotes, and all documents attached to the purchase requisition prior to submitting it to the Treasurer.

The Treasurer will review all documents submitted and attach the accounts available funds report to justify that adequate funds are available in the account. The Principal will meet with the Treasurer to review the purchase order checklist, the availability of funds report, and any quotes or documents attached to purchase requisition. Furthermore, the Treasurer was instructed not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more, or supply items customarily procured via M-DCPS Stores & Mail Distribution.

Additionally, at the Opening of Schools faculty meeting on August 20, 2015, the faculty and staff will receive professional development regarding School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000 which will be implemented during the 2015-2016 fiscal year. Furthermore, the faculty and staff will receive training regarding the new internal purchasing process and procedures, implemented for the upcoming school year.

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Purchasing Credit Card Program Policies & Procedures Manual and School Board Policy 6610 *Internal Accounts* and 6320 *Purchasing* with the Purchasing Clerk, Treasurer and Assistant Principal to ensure that procedures are appropriately followed as related to credit transactions and to ensure compliance with the District policy and procedures related to bids. The procedures will be randomly reviewed by the South Region Office Financial/Business Operations Director.

Principals will participate in the year round Fiscal Management Program.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Miami Arts Studio 6-12 @ Zelda Glazer*.

**12. Inadequate Recordkeeping And
Deficiencies In The Management
Of The Infant And Toddler
Care Program
*Miami Arts Studio 6-12 @ Zelda Glazer***

There was a change of Principal at this school in August 2013. These issues occurred under the tenure of the current administration. This school operates an *Infant and Toddler Care Program* that is supervised by the Principal. This program services children ages six weeks through four years old (not otherwise eligible for a Voluntary Prekindergarten Program¹⁹) and receives programmatic guidance and support from the District's Office of Early Childhood Programs.

At the school site, the program operates based on a fee schedule approved by the District detailing the daily and bi-weekly charges for providing services. All fees collected for services rendered must be properly receipted in an official 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.

In addition to the program's recordkeeping of student attendance rosters and student registration cards, regarding subsidized child care, school staff must submit reports of student participation and attendance to the entity²⁰ responsible for subsidizing some of the participants' program fees. All these documents must be maintained on file as the supporting documentation for the program.

During the 2013-2014 fiscal year, the Infant and Toddler Care Program generated total revenues of approximately \$25,000. The daily fee for services is \$30 per day or \$15 for half-day services. It also requires a \$150 non-refundable registration fee. According to the payment schedule, payment must be received by the school on a

¹⁹ The Voluntary Prekindergarten (VPK) Program is a free educational program for 4-year olds. Children who turn four years old by September 1 are eligible to participate in a VPK program.

²⁰ During this audit period, the entity responsible for subsidizing child care program services is a Florida non-profit organization serving Miami-Dade and Monroe counties whose mission is to promote school readiness and VPK programs. For purposes of this report, it is referred to as the *subsidizing child care agency*.

bi-weekly basis. Failure to pay may result in the withdrawal of non-paying children from the program.

Our review of program activities for the 2013-2014 and 2014-2015 fiscal year up to the beginning of April 2015, disclosed various discrepancies with the recordkeeping requirements of the program and a shortfall in the revenues generated by the program. Specifically, records were incomplete, bi-weekly fees paid did not agree with established amounts, and fees collected were not always received in a timely manner, according to schedule. We found that:

- 12.1. During the 2013-2014 fiscal year, the school did not receive a reimbursement from the subsidizing child care agency of approximately \$7,600. The reimbursement was for services rendered to several children who participated in the child care program. According to school records, the fees were to be fully or partially subsidized by the child care subsidizing agency. At our request, during the audit, the school contacted the agency to follow-up on this matter. However, according to the agency, *the school did not have an active contract on file for subsidized child care services for this particular program*. According to the Principal, subsidized child care services will not be offered in 2015-2016.
- 12.2. Based on our revenue analysis of this program, the school should have collected approximately \$33,500 for services rendered; however, total collections amounted to approximately \$25,200 for a shortfall of approximately \$8,300. It appears that the school did not enforce the payment schedule.
- 12.3. Our review of 2013-2014 fiscal year records disclosed that for two siblings, payments were not properly posted or not posted at all in the *Parent Fee and Payment Record*. In addition, we could not locate one *Parent Fee and Payment Record Card* corresponding to one of the participating children. At the request of the auditor, the form was completed by school staff based on payments received.
- 12.4. For both the 2013-2014 and 2014-2015 fiscal years up to early April 2015, several instances were noted where the parents were consistently late in the payment of fees without incurring any penalty.

RECOMMENDATIONS

- 12.1. **Going forward, *in the event that the school provides subsidized child care*, the school should contact the Office of Early Childhood Programs for guidance/assistance regarding entering into a contract with the subsidizing child care agency.**

- 12.2. The school administration should assign an administrator to oversee the program.**
- 12.3. The school administration should direct the administrator in charge to conduct periodic reviews of the records to ensure that payments are accurately and timely collected and reflected in the payment records, including registration fees; and that attendance records are maintained.**
- 12.4. The school administrator in charge should direct program staff to maintain all registration forms, payment records and attendance rosters on file; and to ensure that records are properly reviewed and signed off before filing.**
- 12.5. The school administrator in charge should direct program staff to enforce the schedule for collecting payments, to timely follow up in those instances where parents or outside agencies are not making payments in a timely manner; and to document instances of non-payment and collection efforts.**
- 12.6. The school administrator in charge should ensure that the subsidizing child care agency is timely notified and the attendance reports are timely submitted for reimbursement. In those cases of discrepancies or delays with the reimbursement of funds, program staff should follow up to ensure that a reimbursement is received and any pending matter is timely resolved.**

Person(s) Responsible:

**Principal, Assistant Principals,
Treasurer, and Program Staff**

Management Response:

While the school does not have any students enrolled in the subsidized program for the 2015-2016 school year, the Principal contacted staff in Office of Early Childhood Programs to seek guidance for entering into a contract with the local non-profit organization for subsidized child care services. In the event that the school becomes a provider of subsidized child care in the future and a contract is in place, Program Staff is aware that procedure for requesting reimbursement must be followed in a timely manner. Any discrepancies or reimbursement delays must be communicated to school administration for immediate corrective actions.

On April 15, 2015, the School Administration, Treasurer, and Infant and Toddler Program staff met with staff from the Office of Early Childhood to review areas of concern and establish guidelines and procedures for the program.

As a result of the meeting with the Office of Early Childhood and the recommendations shared in the audit report, the Principal designated an Assistant Principal to oversee the program.

During the April 15, 2015 meeting, the School administration, Treasurer, and Program Staff developed new procedures for maintaining registration forms, payment records, and attendance rosters. Furthermore, the Principal reviewed with the staff Section II, Chapter 2 of the Manual of Internal Fund Accounting regarding the Collection of Money.

During the school year, all original registration forms and attendance rosters will be kept inside the classroom. On a monthly basis, these documents will be copied and placed in a file for the Treasurer to keep. At the end of the school year, all originals will be filed with the Treasurer for future referencing, as needed.

The Program Manager will receive and receipt payments according to the fee schedule. Upon completing the receipt, the Program Manager will bring all monies to the Treasurer for deposit. The Program Manager has been instructed not to allow children in the program that have not paid in advance.

The Principal instructed the Assistant Principal to conduct periodic reviews of the records to ensure all procedures are being followed and the recordkeeping is accurate.

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Administrative Director instructed the Principal to contact the Office of Early Childhood Program to request assistance in entering into a contract for subsidized childcare services.

Furthermore, the Financial/Business Operations Director will solicit assistance from the Office of Early Childhood Program to work jointly with the Principal and develop a plan for ensuring the proper recordkeeping procedures are followed as they relate to the Infant and Toddler Care Program.

Principals will participate in the year round Fiscal Management Program.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Miami Arts Studio 6-12 @ Zelda Glazer*.

**13. Inadequate Controls
Over Disbursements
Led To Non-Compliance
With Internal Funds
And P-Card Policy
*John A. Ferguson Senior***

Our sample of disbursements made with internal funds or the district-issued P-Card during the 2013-2014 and 2014-2015 fiscal years up to March 2015 disclosed that the school had made purchases that were not allowed according to internal funds and P-Card guidelines. These included instances where equipment with an individual cost of \$1,000 or more was purchased (which the P-Card does not allow because of property inventory control purposes); as well as instances where the documentation supporting the disbursement was not properly completed; or where three written quotations were not obtained and/or certified minority requirements were not met in those instances where individual purchases totaled \$1,000 or more. In addition, the school had three charge accounts with several establishments and had distributed a number of charge cards to key staff to facilitate the purchases of food items, gasoline and home improvement/repair supplies; however, these charge cards are contrary to current procurement policy where the district-issued P-Card is the only card allowed to use by the schools. Details follow:

According to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* and the *Purchasing Card Program Policies and Procedures Manual*, disbursement documentation should include an itemized invoice signed by the individual who received the merchandise/services to indicate acknowledgement of receipt of goods or services²¹. However, when reviewing disbursement documentation we noted that:

- 13.1. In 29 instances, invoices supporting the purchases were not signed to indicate that goods and/or services had been received at the school. This included purchases made with internal funds or the P-Card.

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 quotations must be solicited. One of these quotations **must** be from a certified minority enterprise.

²¹The requirement for affixing a signature to the invoice to acknowledge receipt of goods is the same for disbursements made with the P-Card or with Internal Funds.

- 13.2. Five disbursements totaling approximately \$11,800 made with internal funds did not have the required three written quotations and/or certified minority requirements were not met. These included an indoor plastic fence for the cafeteria, the printing of event tickets for graduation, weight room equipment, baseball equipment and T-shirts.

The Instructional Materials and Supplies (Fund 9) account was established in the internal funds of the school to provide purchasing flexibility at the school site level. To obtain revenue for the Fund 9 account, schools are allowed to transfer specified amounts of their allocated tax dollar budget funds for materials and supplies purchases. Regarding internal fund purchases charged to Fund 9 revenue, Section III, Chapter 9 of the *Manual of Internal Fund Accounting* provides the guidelines over Fund 9 purchases and restrictions placed on the use of Fund 9 revenue. Specifically, the *Manual* provides a list of those expenditures that are not allowed to be made using Fund 9 revenue (including out-of-county transportation); and clearly *prohibits* schools from purchasing equipment with an individual value of \$1,000 or more with Fund 9 monies. However, our review of the Fund 9 account activity disclosed that:

- 13.3. Three disbursements totaling approximately \$5,700 charged to the Fund 9 account are not authorized purchases under the guidelines. These consisted of a freezer for the culinary arts program with a total cost of \$2,999; a wireless communication system consisting of a control board and five wireless headsets with a total cost of \$3,300, of which \$1,700 was charged to this account and the rest to the Athletic Fund-Football account; and out-of-county transportation costs to a fair, of which \$1,000 was posted to this account and the remainder was charged to a Trust Fund account.

Similarly, the *Purchasing Card (P-Card) Procedures Manual* states that the P-Card cannot be used to purchase equipment with an individual cost of \$1,000 or more \$1,000. Nevertheless:

- 13.4. Three credit card charges for purchases of equipment items costing over \$1,000 were made. Items included a laminator, a mixer (music console) and a computer.

According to Section 2 of the *Manual of Property Control Procedures*, equipment acquisitions not processed through the customary central district procurement channels/processes are reported on an Incoming Control Equipment Form [FM-1669] to request the tagging of the equipment for inventory control purposes. In this case, we found that:

- 13.5. In four instances, equipment purchased was not tagged for inventory control purposes. These included the freezer purchased with internal funds previously cited, as well as the three equipment items noted above that were

purchased with the P-Card and that were charged to a supplies account. Incoming Control Equipment Forms were completed and submitted to the District, at the request of the auditor, to request the tagging of the equipment and incorporate into the school's inventory.

- 13.6. At the time of the audit visit in May 2015, we verified the location of the equipment and found that the freezer purchased in March 2015 was not operational pending electrical installation. In addition, the mixer console purchased in December 2014 remained in its box since purchased. We also found that the computer that was purchased in February 2015 was being used; however, it was not from one of the computer manufacturers that the District is currently authorized to purchase (in order to facilitate support and software).

Weekly Briefing (WB) No. 9386 *District Policy for Purchase of Custodial Supplies and Equipment* was issued back in March 2011 to prevent the procurement of prohibited products related to custodial supplies, chemicals and custodial equipment. According to the WB, only products authorized by Stores and Mail Distribution (S&MD) and the Custodial Standards Committee should be purchased. We contacted administration over S&MD and they confirmed that schools are not authorized to purchase any chemicals from any source except S&MD. However,

- 13.7. The school purchased floor stripper from an outside vendor totaling approximately \$1,600 in two consecutive purchases of less than \$1,000 each. According to the school, *S&MD had been contacted at the time for the purchase; however, S&MD did not have the item in stock and gave the school permission to purchase from an outside vendor.* We contacted S&MD to confirm this statement. According to administration from Stores and Mail Distribution, they did not authorize the school to make that purchase and they have maintained this item in inventory.

Section II, Chapter 4 of the *Manual of Internal Fund Accounting* states that schools must not obtain or utilize any other vendor issued credit cards to make purchases (i.e. Amoco gas, Citgo gas, Target, etc.). Contrary to the guidelines:

- 13.8. The school has open charge accounts with a supermarket chain, a home improvement/construction products and services retailer and a gasoline company. For the 2013-2014 fiscal year, total supermarket charges amounted to approximately \$25,600, while charges stemming from the home improvement/construction supplies and services retailer amounted to approximately \$3,800. Gasoline charges totaled approximately \$1,500.

- 13.9. Upon our inquiries, the Principal informed us that at present, a total of ten charge cards are customarily used by specific staff members within the school to purchase various provisions, supplies and gasoline. A total of 14 staff members are involved with the use of the charge cards. Eight supermarket charge cards under one account are issued to specific staff. Also, according to the Principal, the single gas card and the card from the home improvement/construction products and services retailer are not under staff's permanent custody, but under the custody of the Treasurer, who hands them out to assigned staff as needed.

We were concerned with this situation because of the increased risk that this many charge cards distributed to staff members imposes on the overall disbursement function of the school. Consequently, we tested a sample of disbursements associated with these cards and the controls over this process. *Although the related expenditures appeared proper for a school setting, and nothing came to our attention to indicate that they were being misused in the present environment, in our opinion, it is a risky practice that should be avoided. Furthermore, the use of charge cards other than the district-issued P-Card is not allowed and should be discontinued.*

RECOMMENDATIONS:

- 13.1. The school administration should discuss the disbursement documentation requirements with appropriate staff to ensure that invoices are signed for receipt of goods.
- 13.2. The school administration should discuss the Internal Funds and Purchasing Card guidelines and requirements with faculty and staff for awareness and understanding of the requirements; and should strengthen review over disbursements.
- 13.3. Regarding the matter of the written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and ensure that the lowest quotation is selected.
- 13.4. The school administration should discuss with staff procedures regarding the purchase of furniture, fixtures and equipment (FF&E) costing \$1,000 or more that require the tagging of the equipment for inventory control purposes. In similar cases of FF&E purchases costing \$1,000 or more, we strongly recommend the use of a shopping cart through the regular procurement district channels for these purchases.

13.5. The school administration and staff should be made aware of the chemicals and other items can only be purchased from S&MD and should ensure that the school is making those purchases from S&MD.

13.6. The school administration should immediately discontinue the use of all supermarket, home improvement/construction products and services retailer, and gas charge cards immediately; and should contact the appropriate vendors to ensure that the accounts are closed.

Person(s) Responsible:

**Principal, Assistant Principal,
Treasurer, Purchasing Clerk,
Activities Director, Head Custodian**

Management Response:

In order to ensure that purchasing procedures are adhered to as documented in the Manual of Internal Fund Accounting and the Purchasing Card Program Policies and Procedures Manual, the Principal implemented the following corrective actions and preventive strategies with regard to the to the school site procedures for purchasing and receipt of goods and materials.

On June 10, 2015, the Principal reviewed with all person(s) responsible: Assistant Principal, Treasurer, and Purchasing Clerk, Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting and the Purchasing Card Program Policies and Procedures Manual, and School Board Policy 6610 Internal Accounts. Special emphasis was given to the process of P-Card Usage, acknowledgement of receipt of goods or services, and solicitation of quotations in which one must be from a certified minority enterprise.

The Principal instructed the Purchasing Clerk to continue maintaining a log, including the date of purchase, the vendor's name, amount and the name of the staff the order belongs to (requester). The Purchasing Clerk will be the only one who processes incoming deliveries.

The Purchasing Clerk will notify the employee placing the order in order for that employee to verify that the merchandise purchased was received by signing the vendor invoice and for that employee to retain custody of the merchandise.

On June 10, 2015 the Principal reviewed with all person(s) responsible: Assistant Principal, Treasurer, Purchasing Clerk, and Activities Director, Section III, Chapters 9 of the Manual of Internal Fund Accounting regarding the guidelines and restrictions placed on the use of Fund 9 revenue. The Principal has directed the Assistant Principal and Treasurer to review all Fund 9 purchases in order to maintain compliance with district regulations and guidelines.

The Principal reviewed the Purchasing Card Program Policies and Procedures Manual with the purchasing clerk, specifically as it relates to Section 10, Purchasing Card Limitations and Restrictions. The Principal instructed the Purchasing Clerk to refrain from making any purchases of Furniture, Fixtures, and Equipment (FF&E) greater than \$999.99 utilizing the P-Card.

On June 10, 2015 the Principal met with the Assistant Principal, Treasurer, and Head Custodian to review Weekly Briefing (WB) 9386 *District Policy for Purchase of Custodial Supplies and Equipment*. The Principal has instructed all personnel to purchase only products authorized by Stores and Mail Distribution (S&MD) and the Custodial Standards Committee.

On June 10, 2015 the Principal met with all persons responsible: Assistant Principal, Treasurer, Purchasing Clerk, Head Custodian, Activities Director, and specific staff members, to review Section II, Chapter 4 of the Manual of Internal Fund Accounting. The Principal advised all affected personnel to discontinue the use of vendor issued credit cards. The Treasurer was instructed to contact the appropriate vendors to ensure the accounts are closed.

The Principal, Assistant Principal, Treasurer, and Purchasing Clerk will meet at the end of the month to review the current status of purchases and disbursements through the internal fund account and P-Card in order to ensure compliance with District mandated policies and accurate record keeping. Any discrepancies will be corrected immediately and non-compliance will be addressed with the responsible person(s).

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Purchasing Credit Card Program Policies & Procedures Manual and School Board Policy 6610 *Internal Accounts* and 6320 *Purchasing* with the Purchasing Clerk, Treasurer and Assistant Principal to ensure that procedures are appropriately followed as related to credit transactions and to ensure compliance with the District policy and procedures related to bids, disbursements, Fund9 and equipment purchases.

Furthermore, the Financial/Business Operations Director instructed the newly assigned Principal to meet with Faculty and Staff at the Opening of School to ensure that they are aware of the proper purchasing procedures.

Principals will participate in the year round Fiscal Management Program.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *John A. Ferguson Senior High School*.

**14. Questionable
Purchases Made
With Title I Program
And District Funds
*Allapattah Middle***

The *Purchasing Card Program Policies and Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction.

The District has placed certain controls as to the types of purchases that can be made with the P-Card. Additionally, the Title I Program further restricts the types of purchases that can be made with the P-Card, because any purchase made with Title I Program Funds must be for the direct improvement of student academic achievement as reflected in the school's School Improvement Plan. Items such as office supplies, items for personal use or personal hygiene, communication equipment, computer/technology equipment *for administrators/clerical staff*, furniture and physical education/playground equipment/supplies are some of the expenditures that cannot be charged to the Title I Program. P-Card purchases made with Title I Funds require that written justification be included with the records denoting the direct impact on student achievement or parental involvement.

Our review of P-Card charges made during the 2013-2014 and 2014-2015 fiscal years up to February 2015 disclosed that the school had made purchases with the P-Card that were not authorized or questionable under Title I Program guidelines. In addition during this time period, the school placed several orders with the District's Graphics Department that were also charged²² to the Title I Program; however, some of these purchases are similarly questionable or not allowed. Regarding P-Card purchases made with discretionary funds budgeted at the school level, we identified gasoline charges that were questionable because of the amount, the type of gasoline that was purchased and the location where some of the gasoline was being purchased.

Title I Purchases Made With The P-Card Are Questionable Or Not Allowed

For the 2013-2014 and 2014-2015 fiscal years up to February 2015, the majority of the purchases with Title I funds were made with the P-Card. Approximately \$9,500 and \$26,600 was charged to the school's Title I grant accounts during that time period, respectively. The following discrepancies were noted:

²² This expenditure is not charged to the P-Card but processed by generating a journal voucher through the District's financial system in order for the Graphics Department to charge the school for the internal service.

- 14.1. *The school purchased a number of computer/technology equipment, furniture and supplies with individual costs of less than \$1,000, which were inappropriate purchases under Title I Program guidelines. In addition, several of the items purchased were not readily locatable at the school site. Specifically:*

The school purchased three television sets and a television stand, 42 laptops/tablets/ipads, three printers, one software, four computers and electronic/non-electronic table games, a portable public announcement (PA) system, four sound bar stations, two microphones, four sets of earphones, exercise equipment and several furniture items. We were able to physically observe some these devices after several repeated requests; however, others could not be located.

Three television sets (32", 40" and 50" inches) were located in the Art room²³, the Attendance Office and the Principal's Office. None was found in a classroom setting. Similarly, two of the three printers were located in administrative offices. The television stand was in the Auditorium inside a closet. The electronic gaming equipment²⁴, a table and a bookshelf were located in the PBS room²⁵. This room is shared with the Parent-Teacher-Association. Regarding the earphones, of four sets of very trendy earphones with a cost of approximately \$160 each, we found some still in boxes and only one set was being used by the SPED Department. The PA system and microphones were being used in the Cafeteria and the Auditorium. Of four sound towers purchased, one remained in the box, two were being used somewhere in the school, and one could not be located. Of the 42 laptops/tablets/ipads, we were able to physically verify only 20.

On April 6, 2015, audit staff was working with school staff to verify the equipment. Earlier that morning, the auditors had requested staff to provide the location of the equipment and were told to wait until after lunchtime to continue with the inventory verification. At no time, staff informed the auditors

²³ The Art room was not being used. It is the room located closest to the Cafeteria, towards the back of the school.

²⁴ Air hockey and basketball were electronic games. The ping pong/checkers and domino table were not electronic.

²⁵ Since 2003, Miami-Dade County Public Schools district became one of the many school districts across the state of Florida to implement School-Wide Positive Behavior Support. PBS, a program model, is currently being implemented at this school. Positive Behavior Support centers upon principles of positive reinforcement, instruction of appropriate social behaviors, and modification on a macro-system wide level encompassing all students and staff. Title I Program funds are not intended to subsidize this program.

that the equipment was off-site and was being delivered to the school. Furthermore, there was no paperwork on file to indicate that the equipment was located off-campus. During lunchtime, audit staff observed when a truck pulled into the school's parking lot carrying the weight station, the air hockey table and one of the television sets. These items were dropped off in the Art room located in the rear of the school and not in plain view. Upon inquiries, staff informed the auditors that the equipment was being used at a nearby school. We brought this matter to the attention of the Principal, who provided us with an unsigned letter from a production company to justify the off-campus use. According to the Principal and information in this letter, it appears that the items were loaned to a non-school district-related production company to use as stage props in one of their commercial stage plays. Also according to the letter, the company provided complimentary tickets to the play for the Principal and her staff.

- 14.2. *The school was not keeping track of the location of the equipment.* It took several audit visits and numerous requests to verify the location of the equipment or to see where the equipment was being used. The school provided a Plant Security Report to document the whereabouts of some of the missing equipment; however, the document on file was incomplete as it was missing a detailed description of the items in question and the case number. At our request, the school administration obtained additional information regarding the break-in incident, the corresponding case number and a list of equipment discovered missing subsequent to the incident. However, the list provided did not include those specific items that we could not verify during our audit.
- 14.3. *The school purchased a number of supplies that are not allowed or that are questionable under Title I purchasing guidelines.* At the beginning of the 2013-2014 and 2014-2015 fiscal years, the school used the P-Card to purchase personalized desk planners, notebooks/pens, lanyards and goody bags, apparently as incentives for staff. Office supplies such as postage stamps, small quantities of tape dispensers, post-it notes, shipping labels, retractable pens, paper clips, push pins, tape correction, and similar supplies customarily procured for an office environment were questionable since there was no evidence of outreach or parental engagement that would have supported the use of these items. In addition to office supplies, items supposedly given away as incentives included wristbands, tote bags, latex balloons, and heart-shaped hand-held fans that could not be similarly linked to parental or academic-related activities.

Gasoline Purchases Made With The District's P-Card (Non-Title I-Discretionary Funds Budgeted At The School Level) Are Questionable

- 14.4. *Our review of P-Card charges between March 2014 and February 2015 disclosed gasoline purchases amounting to approximately \$980, of which \$426 are questionable.* Specifically, six individual charges ranging from \$25 to \$100 represented between six and 27 gallons of gasoline purchased at a given time. In three of the six instances, purchases were made on a Saturday or Sunday; two of the receipts did not indicate the person who made the purchase and one was signed by the Principal; and the gas station was not in the school's vicinity. According to the Principal, the gasoline was purchased for the grounds equipment to upkeep school grounds or for special occasions with assistance from the Custodian. Regarding all six purchases, *based on the price of gasoline, it appears that the gasoline purchased was of a grade higher than what is customarily utilized to operate grounds equipment.* According to the Custodian, the equipment does not require anything other than regular gasoline; and he stated that he did not make these purchases since he procured the gas from stations in close proximity of the school.
- 14.5. Because of the amount of gasoline purchased at any given time, we visited the location where the fuel was being stored and were surprised at the number of containers (five or six containers with an aggregate capacity of approximately 25 gallons) and the fact that some were not properly sealed (a piece of crumbled paper was inserted in the container's nozzle to seal it). We contacted the District's Safety Department to request their review of the conditions and advise the school how to store flammable equipment safely. Corrective action took place during our visit.

Printing Services Provided By The District's Graphics Department And Paid By The School (With Title I Funds) Are Not Allowed Or Questionable

- 14.6. *During the 2013-2014 and the 2014-2015 fiscal year up to February 2015, the school placed several orders with the District's Graphics Department for the production of printed material totaling approximately \$5,200 and \$4,000, respectively, and utilized Title I Program funds to pay for these services. However, our review disclosed that some of these expenditures did not apply to the Title I Program while others are questionable.* The orders in question made during the 2014-2015 fiscal year were for the printing of business cards²⁶ for school staff with a total cost of \$385; and two other orders for the

²⁶ The purchase of business cards is expressly prohibited in the general P-Card guidelines and sites can only make this purchase with the written approval of a Senior Cabinet Member of the District.

production/printing of bookmarks proclaiming the PBS program and its key features, and school detention notice forms totaling \$117. Regarding the rest of the orders, we were unable to determine whether they were authorized purchases under Title I Program guidelines since the invoices, although itemized, were not specific as to the printed context; and neither the Graphics Department nor school staff was able to provide a sample of the printed material.

RECOMMENDATIONS

- 14.1. The school administration should review the Purchasing Credit Card Program guidelines, and in particular, the guidelines associated with the Title I Program to ensure that purchases comply with District Policy.**
- 14.2. The school administration should request training from Title I Administration to ensure future compliance with purchases made with Title I funds.**
- 14.3. The school administration should devise a system to track all technology items purchased and distributed to the school.**
- 14.4. The school administration should monitor all gasoline purchases to ensure they are appropriate for custodial equipment, purchased in quantities that are safe to transport, and that the corresponding invoice/receipt is signed to indicate the person who made the purchase. In addition, the school administration should ensure that the fuel is handled and stored safely.**

Person(s) Responsible:

Principal, Secretary/Treasurer

Management Response:

The Principal will review the Purchasing Credit Card Program guidelines, especially those associated with the Title I Program. Assistant Principal and Secretary/Treasurer will attend trainings to ensure compliance with Manual of Internal Fund Accounting and Title I Administration.

The Principal and Assistant Principal will ensure that purchases comply with District Policy and Title I Administration Policy, as well as, provide a clear rationale for the purchasing of all school supplies for the purpose of equipping classrooms and students with necessary educational tools.

Procedures have been implemented to closely monitor incoming/outgoing of equipment. The sign-out log will require school administration authorizing signature

and a time frame for return of equipment. Assistant Principal will conduct a semi-annual property inventory and all obsolete equipment will be removed, following District Policy and procedures.

Gasoline purchases will be closely monitored, including gasoline quantity, gasoline grade, and submission of gasoline invoices. School administration heeded District's Safety Department's recommendations regarding the storing and handling of gasoline on school campus. School administration will communicate with Head Custodian to ensure these safety procedures remain in place.

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

Management Response:

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor the Title 1 Program and Property Management.
- 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 the safeguarding of assets and the management of the Title 1 Program and Property Management.

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

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Allapattah Middle School*.

**15. Instances Of Non-Compliance
With P-Card Program's General
Disbursement Guidelines
And Field Trip Documentation
Guidelines
*Allapattah Middle***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction. Regarding the requirements for documentation supporting a charge, an itemized invoice must be obtained from the vendor and the signature of the individual who received the merchandise/services must be affixed to the invoice to indicate acknowledgement of receipt of goods or services.

Regarding the individual purchases, pursuant to School Board Policy 6320 *Purchasing*, all purchases for non-bid items of \$1,000 or more but less than or equal to \$50,000 require three (3) quotations must be solicited, and if possible, at least one of these quotations must be from a Minority/Women Business Enterprise. The quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected. In addition, work locations are prohibited from splitting purchases, through separate consecutive transactions in order to bypass the \$3,000 single transaction limit or the \$1,000 threshold for bidding procedures.

We sampled P-Card monthly reconciliations and subsidiary records on file for March 2014 to May 2014 and August to September 2014. Our review disclosed that the documentation supporting the charges was incomplete in that original invoices were not obtained/filed, signatures denoting receipt of goods was missing from several of the documents, and the minimum of three written quotes were not on file. Details follow:

- 15.1. In 33 instances, the invoice supporting the charge was not signed to indicate that goods/services had been received at the school. Total charges amounted to approximately \$13,616.
- 15.2. In 11 instances, a packing list/slip or facsimile was used in lieu a formal invoice to document the purchase. Total charges amounted to \$8,959.
- 15.3. In two instances, individual purchases of \$1,000 or more were not documented with the required three minimum written quotes. Total charges amounted to \$5,454.

Regarding field trips, Section B of the *Title I Administration Handbook* requires that the school maintain all supporting documentation including the field trip packet, and all required purchasing documentation including copies of shopping carts, journal vouchers and Funds Reservations made with Title I funding. However:

- 15.4. For the 2013-2014 fiscal year, the school spent approximately \$12,000 in field trips; however, no documentation supporting these charges was filed in the school records and the school was unable to provide the field trip packets. We were able to locate some of the supporting documents in the District's online financial system and noted two small expenditures for transportation to a stadium and to a pool totaling \$625 for which we could not locate justifiable support or correlation to academics. According to staff, the person in charge of the field trip documentation was no longer at the school.

We extended our review of field trips to the 2014-2015 fiscal year up to the time of our visit in April 2015. These amounted to approximately \$14,000. The supporting documentation was located at the school and discrepancies similar to those noted in the prior year were not identified.

RECOMMENDATIONS

- 15.1. **The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 15.2. **The school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.**
- 15.3. **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 quotation, one of which must be from a certified minority enterprise; and 2) the lowest quotation is selected.**
- 15.4. **The school administration should ensure that all field trip documentation is maintained on file.**

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response:

The Principal will review the Purchasing Credit Card Program guidelines to ensure compliance with District Policy. School administration will monitor payment and receipt procedures to ensure compliance with District Policy. Bid requirements will be enforced by the Principal, Assistant Principal, and Treasurer, especially the securing and documenting of required number and type of bids and the selecting of lowest quotation.

The Principal and Assistant Principal will continue to monitor field trip documentation and filing process.

Person(s) Responsible: Central Region Office Administration

Management Response:

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor the Purchasing Credit Card Program and Internal Funds.
- 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 school site comply with District guidelines dealing with the Purchasing Credit Card Program and Field Trips.

Person(s) Responsible: School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Allapattah Middle School*.

**16. Community Involvement
Specialist And Science Coach
Assignments Not Compliant
With Title I Program Policy
*Allapattah Middle***

Section F of the *Title I Administration Handbook* provides the guidelines regarding the records that must be maintained by the Community Involvement Specialist (CIS). These records include logs of telephone calls made to parents, monthly reports of activities, meetings and parent conferences, record of home visits, parent center attendance, documentation evidencing parental involvement in the planning, reviewing and improvements to the Parent Involvement Plan and similar Title I documentation.

During the 2013-2014 fiscal year, a full-time school monitor was hired on a part-time basis to perform the duties of the Community Involvement Specialist (CIS). According to payroll documents, hours reported as the school's CIS were from 6:30 a.m. – 8:00 am and from 4:00 pm – 7:00 pm. The schedule corresponded to the 2013-2014 fiscal year. During 2014-2015, the school hired a new part time CIS. According to the school, this individual works three times per week. We noted the following discrepancies during our review of records maintained by the CIS and observation of the Parent Resource Center:

- 16.1. A review of the CIS records revealed that weekly schedules for the morning hours were not prepared for the entire fiscal year; therefore, there was no record on file of what his work as CIS entailed during the early morning hours. The schedule for the afternoon session (4:00 p.m. to 7:00 p.m.) was identical for the most part and no schedules were on file after January 2014.
- 16.2. The Parental Involvement Monthly Reports on file were not signed by the school administration and did not have supporting documentation. The school was unable to provide a record that the monthly reports were submitted to the Title I Administration Office. According to the Title I Administration office, no reports were submitted for the months of March, April and May 2014.
- 16.3. Telephone logs on file showed that calls made by the CIS to parents were made *during the hours that the individual was working as a full-time employee security monitor (duties overlapped)*.
- 16.4. The location of the Parent Resource Center was not clearly distinguished from the rest of the school and we were unable to determine the extent of any parental activities/services. We were directed to a desk in the Main Office and two tables in the Attendance Office; however, there were no banners and/or bulletin boards displayed at the school advertising the location. In addition, we did not see any sign-in sheets or parental activity at any of these locations during the time of our

visit that would otherwise indicate they were being utilized by parents or that parents were being serviced.

- 16.5. During our audit visit in 2014-2015, we were unable to meet with the new part-time CIS. According to the school, the employee works three times per week; however, was absent during our visit. In addition, CIS records for the current year were not on file and according to the Title I Administration Office, as of April 2015, the CIS has not filed any reports with that office.

According to Section B of the Title I Administration Handbook *Staffing Procedures and M-DCPS Job Description*, A Science Coach is vested with the responsibility of directing instructional services in the areas of scientific literacy and inquiry-based instruction to students and providing technical assistance to teachers implementing the program at the school. A majority of their time is to be spent conducting professional development at the school. However, we noted that:

- 16.6. In January 2014, the school promoted a science teacher to the Science Coach position paid under Title I. Our review disclosed that, contrary to the guidelines in the *Handbook* regarding work assignments and supplements, the Science Coach had a full class schedule and received an extra-period teaching supplement subsequent to January 2014. This supplement is not allowed according to the Title I Program guidelines. According to the individual and documentation obtained at the school, the former Science Coach left in December 2014; and he took over the position of Science Coach, in addition to his former teaching duties. We extended our review to the current year, and this individual was no longer receiving a supplement or teaching classes.

RECOMMENDATIONS

- 16.1. **Regarding the CIS and the Parent Resource Center, the school administration should assess the work of the CIS and discuss the filing documentation requirements with the individual hired to perform the CIS duties to ensure that documentation and reports are filed. In addition, the school administration should ensure that the location of the Parent Resource Center is clearly identified and advertised, and appropriate documentation is available to parents.**
- 16.2. **The school administration should ensure that Coaches' schedules and assignments comply with the requirements of the job.**

Person(s) Responsible:**Principal, Assistant Principal, CIS****Management Response:**

The Principal and CIS will attend training to ensure compliance with all Title I procedures. The CIS will review Section F of the Title I Administration Handbook. The Principal and Assistant Principal will monitor CIS daily schedule and duties to ensure adherence to the assigned work schedule and requirements of Title I guidelines. The Assistant Principal will monitor the securing and filing of required documentation, as delineated in the Title I Administration Handbook. Any anomalies will be corrected immediately.

School administration will ensure the Parent Resource Center is clearly identified, advertised, and properly stocked with materials intended to foster parent involvement.

A new CIS was hired for the 2014-2015 school year. The Principal met with new CIS and reviewed the job duties and responsibilities.

The Principal will ensure that Coaches' schedules and teaching assignments comply with the requirements of the respective positions.

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

- The affected Principal 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 Principal to attend Title 1 training workshops to help successfully monitor the Title 1 Program and Personnel.
- 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 the safeguarding of assets and the management of the Title 1 Program and Personnel.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Allapattah Middle School*.

**17. Certain Payroll Practices
Not Compliant With
District Policy
*Allapattah Middle***

According to *Article XX, Section 3(J) of the contract with the United Teachers of Dade*, instructional personnel in certain specific departments²⁷ whose jobs require evening or Saturday work to implement certain specific in-service or parent education programs may be granted compensatory time at the ratio of 1:1 (straight time). Regarding compensatory time, the *Payroll Processing Procedures Manual* and *Weekly Briefing* 957, dated September 2006 corroborate the matter of compensatory time for instructional staff. With a few exceptions, full-time instructional personnel are not allowed to earn compensatory time.

According to payroll procedures, if the employee is out on a work-related assignment (i.e., seminar, convention, school survey, professional meeting, training, student courses, workshops, etc.), they **must** be reported as Temporary Duty. The Temporary Duty Request form [FM-7433] is utilized to request the leave and receive approval. The form also requires supporting documentation such as agenda, meeting notice, etc.

OPT days: Ten-Month teachers, paraprofessionals, secretarial and clerical employees may opt to work one (1) or two (2) days, before or after the school year, with the consent of the principal, in lieu of one (1) or two (2) days specified on the School Calendar. Each school is responsible for manually keeping track of opt days worked by employees. The Opt Days/Work Year form must be used for this purpose. The principal or supervising administrator is responsible for the up-to-date maintenance of this form, and this responsibility is not to be delegated to the employee. On days absent, the employees is reported as taking an "OPT DAY" and an Application For Short Term Leave, FM-5949 ("leave card"), must be prepared, indicating "OPT DAY" under "Comments".

At this school we sampled payrolls reported between January 2014 and April 2014 and noted certain discrepancies regarding the payroll of a particular instructional staff member. Specifically, between January 6, 2014²⁸ and March 21, 2014²⁹ (53

²⁷This is exclusive to bargaining unit members assigned to the Office of Professional Standards; Office of Intergovernmental Affairs, Grants, Marketing and Community Services; Office of Student Services; Schools of Choice; Office of Early Childhood Education; the Office of Curriculum Support; and Project TRUST Specialist; and/or group counselors in the senior high schools whose job require evening and/or Saturday work hours scheduled by their supervising administrator to implement specific teacher in service program and/or parent education activities.

²⁸ First day of work after Winter Recess.

²⁹ Last day of work before Spring Recess.

days), the school reported 16 days of sick leave, 6 days of temporary duty, 2 OPT days and 7 days of compensatory time for an instructional staff member for a total of 31 days or 58 percent of this time period. This reporting pattern was questioned since most of the leave reported happened between January and the end of February 2014; and within this rather short timeframe, one day of temporary duty or an OPT day would be reported between several days of contiguous sick leave. In addition, the employee was not entitled to earn compensatory time. Details follow:

- 17.1. The instructional staff member was not a bargaining unit member reporting to any of the departments/groups specified in the UTD contract³⁰ that are allowed to report compensatory time. In this case, the school inappropriately reported a total of seven compensatory days between February 5, 2014 and February 18, 2014 for work supposedly performed during the summer. Total compensatory hours reported during this two-week period represented approximately 55 instructional hours. This total would have exceeded the 30-hour threshold established by the District for earning/accumulating compensatory hours at any given time³¹.
- 17.2. The Compensatory Time Log [FM-6917] presented for audit showed that the log was not properly completed and the compensatory time was miscalculated at the ratio of 1:1.5. According to the log, it appears that the total number of straight hours was 58.5, and listed close to 88 hours at the 1:1.5 incorrect ratio. Because of the errors noted, we were unable to determine the accuracy of this log.
- 17.3. Regarding Temporary Duty reported for this employee, we noted that the Temporary Duty Request [FM-7433] forms cited several reasons for taking the leave, namely: for interim assessment preparation, FCAT writing and a field trip. This form requires supporting documentation; however, the forms on file were not accompanied by any information explaining the employee's whereabouts (agenda, invitation, registration, travel, etc.). We met with this particular instructor and the Treasurer on May 28, 2015 to clarify some of our concerns, and although some additional documentation was provided, it was not sufficient to pinpoint the exact whereabouts of these meetings or the employee's attendance to these meetings.

³⁰ At the time, this was the instructor in charge of the Student Center for Specialized Instruction (SCSI). SCSI is provided as an alternative to suspension for students who are repeatedly referred to the assistant principals for unacceptable behavior. Students will be assigned to this class for one or more consecutive days. Academic assignments will be provided for which the student will receive classroom credit.

³¹ No more than 30 hours of compensatory time can be earned/accumulated at any given time. Once it reaches the limit, it must be reported.

- 17.4. The school prepared an in-house document titled *Absence Reporting Log* which was filed with the payroll records. This document was apparently used to record employee absences on a daily basis. Our review of these logs disclosed that the leave reflected in the logs did not match the leave reported for this particular employee. The following table illustrates the discrepancies. In addition, the log reported the employee as an administrator and listed all absences as “Personal Leave”:

Date	Absence Report Log	Daily Payroll Attendance Sheet
2/07/2014	Personal leave	Present
2/10/2014	Not documented	Comp. Time
2/11/2014	Personal leave	Comp. Time
2/12/2014	Personal leave	Comp. Time
2/13/2014	Personal leave	Comp. Time
2/14/2014	Personal leave	Temporary Duty
2/17/2014	N/A-Holiday	N/A-Holiday
2/18/2014	Personal leave	Comp. Time
2/19/2014	Personal leave	Present

- 17.5. During the time period in question (between January and March), the employee had reported two OPT days on January 17 and March 21. According to the Daily Payroll Attendance Sheets for the pay period of August 2-August 15, 2013, the employee worked at the school on August 13 and August 14, 2013. According to the school calendar, these are the days that could be used in lieu of the two OPT days in question. Consequently, we posed no further questions regarding this matter.

RECOMMENDATIONS

- 17.1. The school administration should adhere to the provisions in the *Payroll Processing Procedures Manual* and the contract with the *United Teachers of Dade* when approving working assignment of instructional personnel that involves the granting of compensatory time.
- 17.2. The school administration should ensure that temporary duty is properly justified with agendas and supporting documentation and documents are maintained on file for audit.
- 17.3. The school should discuss the procedures with the payroll clerk and the staff members in charge of the Absence Reporting Log to ensure that the leave reported in the payroll records is properly supported with the information recorded in the Absence Reporting Log.

Person(s) Responsible: **Principal, Assistant Principal, Substitute Locator**

Management Response:

The Principal met on June 10th, 2015, with the Secretary/Treasurer and substitute locator to review the Payroll Processing Procedures Manual and the contract with United Teachers of Dade to ensure payroll reporting accuracy and compliance.

The Principal and Assistant Principal will monitor the submission and filing of temporary duty forms and supporting documentation to ensure accuracy and timeliness. School administration will monitor the substitute locator's Absence Reporting log to ensure the leave reported in the payroll records is properly supported with the information recorded in the Absence Reporting Log. Any anomalies will be corrected immediately.

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

Management Response:

- The affected Principal 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 review with the Principal payroll procedures to ensure proper implementation and monitoring.
- 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 payroll records are properly maintained.

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

Management Response:

Refer to page 48 of this report and page 159 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of *Allapattah Middle 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 ended June 30, 2014, on the cash basis of accounting;
- 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 and/or July 1, 2013 through June 30, 2014 (depending on whether the audit scope was one or two-year audit at the individual school 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 fiscal year for financial reporting purposes. In addition, we reviewed selected Title I Program records for the current fiscal year 2014-2015 up to March/April 2015 as to address the referral from the Title I Administration Office. FTE audits covered the October 2014 survey period (2014-2015 survey period 2) or the February 2015 survey period (2014-2015 survey period 3), depending on the school audited.

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 rules 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 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 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 and June 30, 2014 was 0.50% and 0.62%, 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/centers' 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 level which are not part of the school's budget process
- ◆ Each school 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 and June 30, 2014, the MDCPS-Money Market Pool Fund's interest rate was 0.50% and 0.62%, 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 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 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 schools/centers and time permits. Inventories pending at year-end will be conducted and reported for the next fiscal year.

PURCHASING CARD (P-CARD) PROGRAM

At the schools/centers, principals administer the purchasing credit card program, which must comply with the guidelines established in the *Purchasing Card Program Policies and Procedures Manual*. The P-card program was designed to streamline the acquisition process by enabling employees at the schools/centers 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 schools to make small purchases of less than \$3,000 per individual transaction for materials and supplies*
- *It expedites the procurement process at the schools.*

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/centers 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 two to three years.

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)

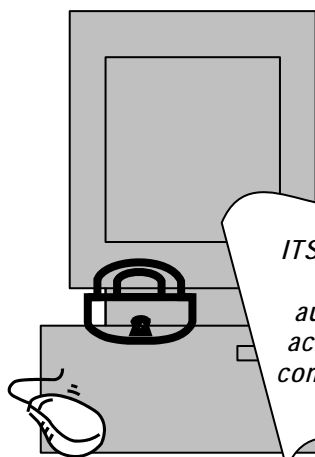
Schools/centers are also responsible for maintaining an audit trail to ascertain compliance with State law, State Board of Education and School Board Rules as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

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.

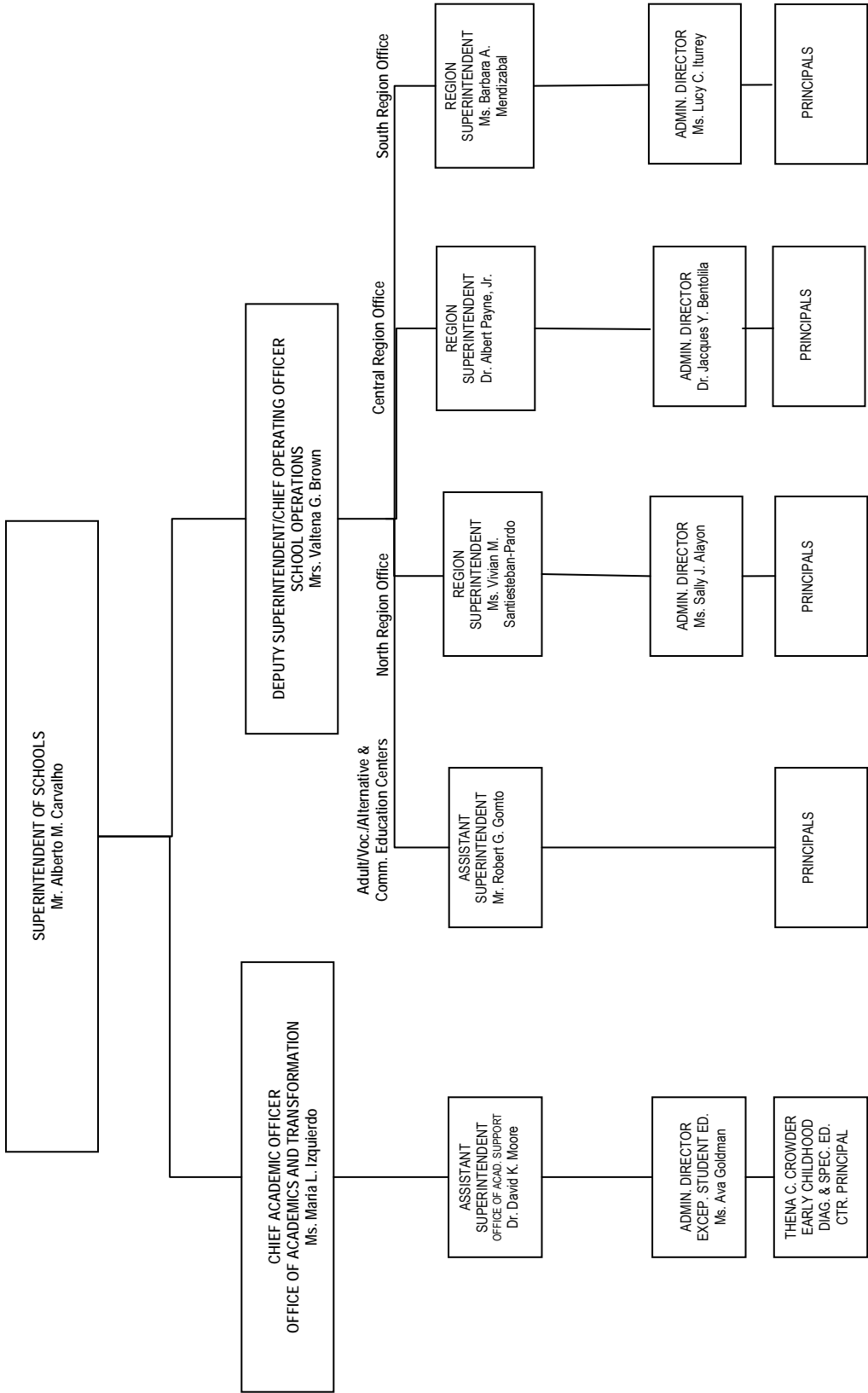
DATA SECURITY MANAGEMENT REPORT



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.

ORGANIZATIONAL CHART (SCHOOLS/CENTERS)



Note:
Effective June 15, 2015, ETO schools 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

MEMORANDUM

June 8, 2015

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

FROM: Alicia M. Costa-DeVito, Principal
G.K. Edelman/Sabal Palm Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF G.K.
EDELMAN/SABAL PALM ELEMENTARY SCHOOL FOR THE 2012-2013
AND 2013-2014 FISCAL YEARS

The following is submitted in response to the Audit Report of G.K. Edelman/Sabal Palm Elementary School for the 2012-2013 and 2013-2014 Fiscal Years.

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 the recurrence of similar conditions and ensure strict compliance is maintained with Board policies and procedures.

FINDINGS

1. Discrepancies in the ASC Program Recordkeeping and Supporting Documentation and Inadequate Controls over the Receipting of ASC Program Collections

RECOMMENDATIONS

- 1.1 The school administration should ensure that staff in charge of the recordkeeping of the program and the collection of funds understands and is aware of the proper receipting and documentation procedures.
- 1.2 The school administration should designate an administrator to oversee the day-to-day operation of the program to ensure it is operating smoothly.
- 1.3 The administrator in charge of overseeing the program should ensure that responsible staff is issuing receipts upon receipt of payment from parents/guardians; and that staff is recording/maintaining payment information on the student registration cards up to date, as well as recording entry/withdrawal dates and other payment information on the cards in a timely manner. The administrator must ensure that pen is used to write the information and that the information is not altered/changed on the receipts. Additionally, all three parts of the voided receipts must be maintained on file.

- 1.4 The administrator in charge should discuss and enforce the schedule for collecting payments. Periodically, the administration will follow-up with parents when parents are not making payments according to the fee schedule; and will ensure that staff is timely documenting instances of non-payment.
- 1.5 The administrator in charge should discuss the requirements with staff to ensure that attendance rosters are properly completed and should periodically review the records to ensure adherence to procedures.
- 1.6 The school administration should direct the administrator overseeing the program to conduct periodic reviews of the cards to ensure that payments and related information are being posted on a regular basis; and should periodically hold meetings with the administrator in charge to discuss the results of those reviews.
- 1.7 The administrator in charge should ensure that records are maintained in a secure area and will monitor these records periodically.
- 1.8 The school administration should strengthen the review and oversight of receipting/depositing activities and the Collection/Deposits Log to ensure that monies are timely receipted, deposited and recorded, especially for B/ASC Program collections.

PERSON(S) RESPONSIBLE: Principal, After School Program Manager

MANAGEMENT RESPONSE:

At the start of the 2014-2015 school year, the Principal at the time made a decision to provide aftercare and before school care services through an outside approved agency, South Florida After School All Stars, Inc.

In the event that the Principal-Operated Fee-Supported Program should resume at this location, the Principal will review the Community School Procedures Manual and the Manual of Internal Fund Accounting with the Program Manager to ensure understanding and responsibilities regarding proper documenting, recording and collecting and receipting of ASC program collections. A receipt of acknowledgement from the Program Manager and affected staff will be kept on file.

In addition, the Principal will identify a school administrator to oversee the daily operations of the program and ensure staff is well-trained and thoroughly understands the procedures and guidelines to ensure program runs smoothly and that financial duties are adhered to.

Furthermore, the Principal will ensure that the administrator in charge enforces staff to issue receipts upon parent/guardian payment, that pen is used to write the information and that information of the receipts is not altered. Any anomalies will be corrected immediately.

Also, the Principal or designee will discuss and enforce the schedule for collecting payments, follow up with parents not making payments and ensure attendance rosters are properly completed.

Finally, the Principal or designee will hold regular meetings with the ASC Program administrator and direct him/her to conduct regular reviews of the cards to ensure payments are being posted on a timely basis and ensure records are maintained in a secure area.

FINDINGS

2. Financial Activities of the School and the School Allied Organization Not Clearly Segregated

RECOMMENDATIONS

- 2.1** The school administration will discuss the appropriate guidelines with staff to ensure understanding and awareness of the roles and responsibilities of staff and the interaction that can take place in support of a school allied organization such as the PTA. Specifically, PTA activities held at the school should be conducted in such a way that is clearly distinguished from school-sponsored student/club activities.
- 2.2** The school administration will direct school site employees/staff not to engage in the collection of funds on behalf of the school's PTA.
- 2.3** The school administration will request from the PTA that any donations made to the school be accompanied by a letter properly signed by the appropriate PTA representative.

PERSON(S) RESPONSIBLE: Principal

MANAGEMENT RESPONSE:

The Principal met with PTA President/Data Input Specialist and reviewed the Manual of Internal Fund Accounting to ensure understanding and awareness of the roles and responsibilities regarding of staff and the interactions that can take place in support of school allied organizations such as PTA. The Principal has instructed the Data Input Specialist (PTA President) to perform activities at the school in such a way that is clearly distinguished from school-sponsored student/club activities. Additionally, the Data Specialist, while acting in the capacity of PTA President, will discontinue collecting monies associated with the PTA.


Additionally, the Principal has directed school employees and staff not to engage in the collection of funds on behalf of the school's PTA. Finally, the Principal met with the PTA Board to ensure that a signed letter will accompany any donations made to the school in the future.

cc: Sally J. Alayon
Cynthia Gracia

MEMORANDUM

June 10, 2015

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

FROM: Rhonda Y. Williams, Principal
Barbara Hawkins Elementary School 

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL FUNDS AUDIT REPORT OF
BARBARA HAWKINS ELEMENTARY SCHOOL FOR THE 2013-2014
SCHOOL YEAR

The following is submitted in response to the Audit Report of Barbara Hawkins Elementary School for the 2013-2014 Fiscal Year.

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 the recurrence of similar conditions and ensure strict compliance is maintained with Board policies and procedures.

FINDINGS

1. Inadequate Controls Over the Bookkeeping Function Resulted in Errors and Incomplete/Inadequate Financial Records of the School

RECOMMENDATIONS

- 1.1 The Principal should request assistance from the Division of Internal Fund Accounting to discuss the activities for the coming year and map out the accounts to be utilized for the different field trips and year-end activities to prevent the co-mingling of funds.
- 1.2. The Principal and Treasurer would benefit from additional training in Internal Funds to improve bookkeeping procedures.
- 1.3 The Principal should periodically review the internal funds records with the Treasurer to strengthen control over the bookkeeping of the funds and the financial records, and resolve discrepancies in a timely manner.

PERSON(S) RESPONSIBLE: Principal, Secretary/Treasurer

MANAGEMENT RESPONSE:

The Principal has met with the Secretary/Treasurer to review the *Manual of Internal Fund Accounting* to ensure the understanding and responsibilities regarding proper bookkeeping procedures are in place and changes have been made to correct the process and ensure that the proper required signatures are obtained on each check.

Additionally, a meeting was held with the school's Internal Funds Business Manager to assist with the monitoring and separation of the individual accounts and to discuss activities for the coming year while mapping accounts that will be utilized.

The Principal will monitor the internal fund accounts on a weekly basis by having the Treasurer pull the accounts and the Principal will monitor each Internal Account activity on a weekly basis.

The Principal has worked with the Secretary/Treasurer and sub-ledgers have been created for the coming school year to assure that co-mingling of revenues from each grade are not posted to a class and club account, but rather to that specific activity.

Also, the Principal has established with the Secretary/Treasurer that the corresponding Journal Voucher Form detailing the transaction will be attached to the Journal Voucher Posting Log before the completion of the transaction and the Principal's signature is obtained.

Furthermore, the Principal will ensure that at the beginning of the school year, faculty and staff are trained on the procedures of collecting money. Individuals will receive a receipt book and a Recap of Collections form for individual collections of \$15 or more. Lastly, the Principal will ensure that purchase orders are recorded for any individual purchases of \$100 or more.

FINDINGS

2. Grant Funds Not Spent In Accordance With Stipulated Grant Guidelines

RECOMMENDATIONS

2.1 The school administration should direct staff to spend grant funds following the intent of the grant and by established deadlines.

2.2 Going forward, the school should ensure that grantors are contacted and the school receives prior written approval regarding any changes to the intent of the use of the grant.

PERSON(S) RESPONSIBLE: Principal, Secretary/Treasurer

MANAGEMENT RESPONSE:

The Principal has met with the Secretary/Treasurer to review the Manual of Internal Fund Accounting to ensure understanding and responsibilities regarding proper grant fund spending. In addition, procedures for meeting grant deadlines and requesting an extension from the grantor were reviewed. A receipt acknowledging policies and procedures was obtained.

The Principal also reviewed with the Secretary/Treasurer the process of obtaining prior written approval should any changes need to be made regarding the intended use of the grant.

FINDINGS

3. Inadequate Controls Over Disbursements Made With the Purchasing Credit Card or Internal Funds Resulted in Documentation that was Incomplete and Non-Compliant with Bid Requirements an Title I Program Requirements

RECOMMENDATIONS

3.1 The school administration should direct staff not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more.

3.2 The school administration should discuss the *Purchasing Card Program* guidelines and *Title I Administration Handbook* with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District policy.

3.3 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 must be from a certified minority enterprise; and 2) the lowest quotation is selected.

PERSON(S) RESPONSIBLE: Principal, Secretary/Treasurer

MANAGEMENT RESPONSE:

The Principal has reviewed and thoroughly discussed the internal funds audit report with the Secretary/Treasurer and reviewed all procedures as outlined in the *Purchasing Card Program Policies and Procedures Manual* and the *Title I Administration Handbook*.

The Principal will meet regularly with the Secretary/Treasurer to ensure that three documented quotes/bids are obtained, including one minority vendor, when an individual purchase is over \$1,000 and the invoice will be attached to the bid. Once the quotes/bids have been obtained, the lowest quote/bid will be used.

The Principal met and discussed with the Treasurer that equipment with an individual acquisition cost of \$1,000 or more will not be purchased with the P-Card. In the future, this equipment will be purchased through the district procurement channels and charged to an equipment account to ensure it is tagged for inventory control purposes.

The Principal has implemented corrective and preventive strategies to prevent reoccurrence of similar expenditures in future audits.


cc: Sally J. Alayon
Cynthia Gracia

RYW:ddw

MEMORANDUM

June 12, 2015

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

FROM: Rosa B. Iglesias, Principal 
Hialeah Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
HIALEAH ELEMENTARY SCHOOL FOR 2013 – 2014 FISCAL YEAR**

This memorandum serves as a response to the relevant findings in the internal audit for Hialeah Elementary for the 2013-2014 fiscal school year.

RECOMMENDATIONS:

- 1.1. The school administration should review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.
- 1.2. The school administration should strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements, including the preparation, approval and posting of purchase orders to the system.
- 1.3. The school administration should direct staff to ensure that purchase orders are prepared and signed timely and vendors are paid in a timely manner.

PERSON(S) RESPONSIBLE:

Principal and Treasurer

MANAGEMENT RESPONSE:

The Principal, Assistant Principal and Treasurer 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 Principal met with the Treasurer immediately after the audit completion and reviewed the responsibilities of each staff member as delineated in the Manual of Internal Fund Accounting. In addition, the employee who continued to make unauthorized purchases even after they were instructed not to will no longer be authorized to create orders or deal with finances in the school. A meeting is planned to

occur during the opening of schools meeting, the Principal will review policies and procedures of internal fund accounting with the staff to ensure understanding and awareness of appropriate requirements implemented by the District in regards to disbursements.

The Principal will review and authorize all future purchases to ensure compliance with the disbursement documentation requirements, before they are submitted to the school treasurer.

The Principal has directed the treasurer to prepare and sign purchase orders on the day the order is placed and ensure invoices are paid within 30 days of the purchase. If an order arrives to the school without prior knowledge of such order, the Treasurer will notify the Principal and the order will be returned to the vendors and will not be paid.

RECOMMENDATIONS:

2. **Going forward, the school administration should carefully review the monthly report titled Authorized "*Applications for Employees by Locations*" Report to ensure that access to school site computer applications is adequately restricted, and any changes to staff's access to these applications remain compliant with current District guidelines. Also, access should be revoked for any employees no longer working at this location.**

PERSON(S) RESPONSIBLE:

Principal

MANAGEMENT RESPONSE:


Immediately after the audit completion the Principal removed all authorizations and only authorized employees to comply with District guidelines. Moving forward the Principal will carefully review the monthly report to ensure that access to school site computer applications is adequately restricted.

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

MEMORANDUM

June 12, 2015

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

FROM: Humberto J. Miret, Principal 
Shenandoah Middle School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
SHENANDOAH MIDDLE FOR FISCAL YEAR 2013-2014**

This memorandum serves as a response to the relevant findings in the property audit conducted for Shenandoah Middle School for the 2013-2014 fiscal school year.

RECOMMENDATIONS:

- 1.1 The school administration should devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.
- 1.2 The school administration should ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.
- 1.3 The monitoring and accounting of property should be strengthened by conducting in-house property inventories periodically to identify discrepancies and resolve them in a timely manner.
- 1.4 The equipment should be assessed periodically to ensure that equipment deemed obsolete is properly and timely removed from the inventory.

RESPONSIBLE PERSON(S): Principal, Assistant Principal, and Property Management Staff

MANAGEMENT RESPONSE:

In order to ensure that property control procedures will result in the proper location, control and safeguarding of all physical property, the Principal has implemented corrective measures and preventive strategies. The Principal will meet with the Inventory Team Members, the Assistant Principal, the Lead Teacher, the Microsystems Technician, the Head Custodian, and the Media Specialist to review the Manual of Property Control Procedures and the school's corrective action plan. The Assistant Principal will be assigned to manage the school's property, with oversight from the Principal.

In August 2015, the Principal will meet with faculty and staff to review proper property inventory procedures. The review will address the movement of property from one

room to another, reporting procedures when property is found un-located, as well as procedures for temporary off-campus removal of property. All property assigned to a staff member for off-site use must have the Principal's approval and must be properly documented with the required off-campus forms.

The Principal will review established property management procedures with the staff at the monthly faculty/staff meetings. Specific areas of compliance will be reviewed during these meetings as outlined in the Manual of Property Control Procedures. Staff will be reminded to immediately report any property discrepancy to the Assistant Principal.

Quarterly school site mini-reviews will be conducted to monitor property inventory. After each mini-review, the Principal will meet with the members of the Inventory Team to discuss the results of the mini-review. Any discrepancy will immediately be reported for proper follow-up and corrective action.

All inventoried items will be assessed on a quarterly basis by the members of the Inventory Team to ensure that equipment deemed obsolete is properly and timely removed from the inventory. The Assistant Principal will complete the Outgoing Controlled Equipment Form to remove the obsolete inventoried items from the school's property control list. While awaiting the removal of property from the property control list, the inventoried items will be stored in a high security room.

Implementation of this plan will ensure that property control procedures will result in the proper location, control and safeguarding of all physical property at Shenandoah Middle School.

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

MEMORANDUM

June 16, 2015

TO: Barbara Mendizabal, Region Superintendent
South Region Office

FROM: Bart D. Christie, Principal
Leewood K-8 Center

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
LEEWOOD K-8 CENTER FOR 2013-2014 FISCAL YEAR**

The following is a response to the findings in the Leewood K-8 Audit Report for the 2013-2014 Fiscal Year. The audit findings have been carefully reviewed by the Principal and, as a result the following corrective actions have been established to prevent recurrence.

RECOMMENDATIONS

- 1.1 The school administration should ensure that staff in charge of the recordkeeping of the program and the collection of funds understands and is aware of the proper receipting and documentation procedures.
- 1.2 The administrator in charge should ensure that responsible staff is issuing receipts upon receipt of payment from parents/guardians; and that staff is recording/maintaining payment information on the student registration cards up-to-date.
- 1.3 Collections held overnight should be recorded in the Collections/Deposits Log (FM-7249) and should be properly verified and logged by two employees when placing them in a safe place and when removing them from the safe place.

Responsible Person(s): Principal, Community School Specialist, Treasurer, After School Care Program Managers, and After School Care Clerk.

Management Response:

In order to ensure compliance with receipting and depositing procedures, on April 24, 2015, the Principal met with the Community School Specialist, After School Care Program Managers, and the Treasurer to review, Section II, Chapter 2, of the Manual of Internal Fund Accounting which establishes the procedures for the collection of monies at the school. Furthermore, the Principal provided them a copy of Weekly Briefing #5164 (Policies and Procedures on Safeguarding Funds at Schools) dated November 6, 2008, and requested a receipt acknowledging policy and procedures.

Additionally, effective April 24, 2015, the Community School Specialist was hired in a part-time position from 3:30 p.m.-6:00 p.m. in After School Care in order to ensure that appropriate staff is available to issue receipts to parents/guardians at the time of payment. The Community School Specialist will ensure that payment information is recorded/maintained on the student registration cards and that cards are up-to-date.


On April 28, 2015, the Principal reviewed the proper utilization of the Collections/Deposit Log with staff. Funds collected to be held overnight will be verified, recorded and logged by the Community School Specialist and the After School Care Manager when placing in the bolted safe. The Principal will meet monthly with staff to ensure adherence to the procedures as outlined in the Manual of Internal Fund Accounting.

cc: Cynthia Gracia
Lucy C. Iturrey

MEMORANDUM

June 14, 2015

TO: Mrs. Barbara A. Mendizabal, Region Superintendent
South Region Office

FROM: Felicia K. Joseph, Principal
Frank C. Martin K-8 Center 

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT
OF FRANK C. MARTIN K-8 CENTER FOR JULY 1, 2013 THROUGH
JUNE 30, 2014**

This memorandum serves as a response to the relevant findings in the internal audit report for Frank C. Martin K-8 Center for the 2013-2014 Fiscal Year. This administrator has taken corrective actions to ascertain that moving forward, all policies and procedures as outlined in the Internal Funds Manual and School Board Rules are strictly adhered to.

The following are the recommendations ascertained during the 2013-2014 audit review:

- 1.1 Review sign-in procedures with full-time and part-time employees to ensure understanding, awareness and future compliance.
- 1.2 Strengthen the overall review of payroll to ensure that employee attendance is accurately reflected in the attendance rosters.
- 1.3 Periodically review the sign in sheets to ensure that employees are recording their attendance as required; and promptly discuss with staff any non-compliance with payroll sign-in procedures to ensure understanding and implement corrective action.

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

Management Response:

In review of the findings and recommendations reported, the current administration will take immediate action to enforce proper procedures and ensure compliance with the expectations of the District.

Specifically, the Principal met with the Payroll Clerk on March 9, 2015 to discuss the continued practice of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. All payroll sheets will be randomly reviewed the Principal and/or the Payroll Clerk after the start of the regular work day and at various times throughout the day. Employees will be notified immediately via written memorandum should a discrepancy in procedure be found. Employees will be required to inform the Principal in writing, why the required payroll procedure was not adhered to. Following two written memorandums, the employee will meet with the Principal to discuss repeated violations. Subsequent violations

will result in written directives and may result in further disciplinary actions. Additionally, a Payroll Discrepancy binder is being maintained to determine and record the frequency of repeated discrepancies.

Additionally, during the March 10, 2015, faculty meeting, the Principal explained the requirements of accurate payroll procedures with all faculty members. It was expressed that failure to comply will result in progressive discipline to ensure compliance.

All payroll sign-in rosters have been moved to a central location outside of the Principal's office to allow for regular, accurate monitoring. The Principal will ensure daily monitoring and compliance.

During the Opening of School 2015 faculty meeting written notification will be issued to all faculty and staff explicitly describing the expected procedures for signing in/out. Faculty and staff will be required to sign for the notification, acknowledging understanding and intent to comply.

For further information regarding this response, please contact, Felicia Joseph, Principal of Frank C. Martin K-8 Center at 305-238-3688.

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

June 16, 2015

TO: Mrs. Barbara Mendizábal, Region Superintendent
South Region Office

FROM: Dr. Miguel A. Balsera, Principal 
Miami Arts Studio 6-12 @ Zelda Glazer

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT
OF MIAMI ARTS STUDIO 6-12 @ ZELDA GLAZER FOR THE
2013-2014 FISCAL

This memorandum serves as a response to the relevant findings in the school audit report for Miami Arts Studio 6-12 @ Zelda Glazer for the 2013-2014 Fiscal Year.

RECOMMENDATIONS

- 1.1 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 must be from a certified minority enterprise; and 2) the lowest quotation is selected.
- 1.2 The school administration should direct staff not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more, or supply items customarily procured via M-DCPS Stores & Mail Distribution.

Responsible Person(s): Principal, Assistant Principals, Treasurer, Magnet Lead Teacher, Club Sponsor(s), Department Chairperson(s), and Program Staff.

Management Response:

In order to ensure compliance with the Purchasing Card guidelines, the Principal has implemented a streamlined process for purchasing and use of the P-Card.

The Principal met with the Assistant Principals and the Treasurer on June 8, 2015, to review the findings and recommendations of the audit report along with School Board Policy 6610 Internal Accounts and School Board Policy 6320 *Purchasing*. Furthermore, the Principal reviewed the *Purchasing Card Program Policies and Procedures Manual* with the Assistant Principals and the Treasurer.

Effective immediately, the purchasing process for the 2015-2016 school year has been streamlined. On June 8, 2015, the Administration created a purchasing checklist, which must be attached to all purchase requisition. Subsequently, a checks and balances system has been implemented to ensure that all purchases adhere to the Manual of Internal Fund Accounting and all School Board Rules pertinent to expenditures. A designated administrator will review all purchases over \$1,000 using the in-house checklist before submitting the request to the Principal. The Principal will then review the purchasing checklists, quotes, and all documents attached to the purchase requisition prior to submitting it to the Treasurer.

The Treasurer will review all documents submitted and attach the accounts available funds report to justify that adequate funds are available in the account. The Principal will meet with the Treasurer to review the purchase order checklist, the availability of funds report, and any quotes or documents attached to purchase requisition. Furthermore, the Treasurer was instructed not to utilize the P-Card to purchase equipment with an individual cost of \$1,000 or more, or supply items customarily procured via M-DCPS Stores & Mail Distribution..

Additionally, at the Opening of Schools faculty meeting on August 20, 2015, the faculty and staff will receive professional development regarding School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000 which will be implemented during the 2015-2016 fiscal year. Furthermore, the faculty and staff will receive training regarding the new internal purchasing process and procedures, implemented for the upcoming school year.

Management Response:

- 2.1 Going forward, the school should contact the Office of Early Childhood Programs for guidance/assistance regarding entering into a contract with the subsidizing child care agency.**
- 2.2 The school administration should assign an administrator to oversee the program.**
- 2.3 The school administration should direct the administrator in charge to conduct periodic reviews of the records to ensure that payments are accurately and timely collected and reflected in the payment records, including registration fees; and that attendance records are maintained.**
- 2.4 The school administrator in charge should direct program staff to maintain all registration forms, payment records and attendance**

rosters on file; and to ensure that records are properly reviewed and signed off before filing.

- 2.5 The school administrator in charge should direct program staff to enforce the schedule for collecting payments, to timely follow up in those instances where parents or outside agencies are not making payments in a timely manner; and to document instances of non-payment and collection efforts.
- 2.6 The school administrator in charge should ensure that the subsidizing child care agency is timely notified and the attendance reports are timely submitted for reimbursement. In those cases of discrepancies or delays with the reimbursement of funds, program staff should follow up to ensure that a reimbursement is received and any pending matter is timely resolved.

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

Management Response:

While the school does not have any students enrolled in the subsidized program for the 2015-2016 school year, the Principal contacted staff in Office of Early Childhood Programs to seek guidance for entering into a contract with the local non-profit organization for subsidized child care services. In the event that the school becomes a provider of subsidized child care in the future and a contract is in place, Program Staff is aware that procedure for requesting reimbursement must be followed in a timely manner. Any discrepancies or reimbursement delays must be communicated to school administration for immediate corrective actions.

On April 15, 2015, the School Administration, Treasurer, and Infant and Toddler Program staff met with staff from the Office of Early Childhood to review areas of concern and establish guidelines and procedures for the program.

As a result of the meeting with the Office of Early Childhood and the recommendations shared in the audit report, the Principal designated an Assistant Principal to oversee the program.

During the April 15, 2015 meeting, the School administration, Treasurer, and Program Staff developed new procedures for maintaining registration forms, payment records, and attendance rosters. Furthermore, the Principal reviewed

with the staff Section II, Chapter 2 of the Manual of Internal Fund Accounting regarding the Collection of Money.

During the school year, all original registration forms and attendance rosters will be kept inside the classroom. On a monthly basis, these documents will be copied and placed in a file for the Treasurer to keep. At the end of the school year, all originals will be filed with the Treasurer for future referencing, as needed.

The Program Manager will receive and receipt payments according to the fee schedule. Upon completing the receipt, the Program Manager will bring all monies to the Treasurer for deposit. The Program Manager has been instructed not to allow children in the program that have not paid in advance.

The Principal instructed the Assistant Principal to conduct periodic reviews of the records to ensure all procedures are being followed and the recordkeeping is accurate.

If you need any additional information, please do not hesitate to contact me at 305-485-2323.

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

June 16, 2015

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

FROM: Dr. Lisa R. Robertson, Principal *LRR*
John A. Ferguson Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
JOHN A. FERGUSON SENIOR HIGH SCHOOL FOR 2013- 2014 and 2014-
2015 FISCAL YEARS

The following is in response to the relevant findings in the internal account audit for John A. Ferguson Senior High School for the 2013-2014 and 2014-2015 Fiscal Years

RECOMMENDATIONS

- 1.1 The school administration should discuss the disbursement documentation requirements with appropriate staff to ensure that invoices are signed for the receipt of goods.
- 1.2 The school administration should discuss the Internal Funds and Purchasing Card guidelines and requirements with faculty and staff for awareness and understanding of the requirements; and should strengthen review over disbursements.
- 1.3 Regarding the matter of written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and ensure that the lowest quotation is selected.
- 1.4 The school administration should discuss with staff procedures regarding the purchasing of furniture, fixtures and equipment (FF&E) costing \$1000 or more that require the tagging of the equipment for inventory control purposes. In similar cases of FF&E purchases costing \$1000 or more, we strongly recommend the use of a shopping cart through the regular procurement district channels for these purchases.
- 1.5 The school administration and staff should be made aware of the chemicals and other items can only be purchased from SM&D and should ensure that the school is making those purchases from SM&D.
- 1.6 The school administration should immediately discontinue the use of all supermarket, home improvement/construction products and services retailer and gas charge cards immediately; and should contact the appropriate vendors to ensure the accounts are closed.

Person(s) Responsible: Principal, Assistant Principal, Treasurer, Purchasing Clerk, Activities Director, Head Custodian

Management Response

In order to ensure that purchasing procedures are adhered to as documented in the *Manual of Internal Fund Accounting* and the *Purchasing Card Program Policies and Procedures Manual*, the Principal implemented the following corrective actions and preventive strategies with regard to the to the school site procedures for purchasing and receipt of goods and materials.

On June 10, 2015, the Principal reviewed with all person(s) responsible: Assistant Principal, Treasurer, and Purchasing Clerk, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* and the *Purchasing Card Program Policies and Procedures Manual*, and School Board Policy 6610 *Internal Accounts*. Special emphasis was given to the process of P-Card Usage, acknowledgement of receipt of goods or services, and solicitation of quotations in which one must be from a certified minority enterprise.

The Principal instructed the Purchasing Clerk to continue maintaining a log, including the date of purchase, the vendor's name, amount and the name of the staff the order belongs to (requester). The Purchasing Clerk will be the only one who processes incoming deliveries.

The Purchasing Clerk will notify the employee placing the order in order for that employee to verify that the merchandise purchased was received by signing the vendor invoice and for that employee to retain custody of the merchandise.

On June 10, 2015 the Principal reviewed with all person(s) responsible: Assistant Principal, Treasurer, Purchasing Clerk, and Activities Director, Section III, Chapters 9 of the *Manual of Internal Fund Accounting* regarding the guidelines and restrictions placed on the use of Fund 9 revenue. The Principal has directed the Assistant Principal and Treasurer to review all Fund 9 purchases in order to maintain compliance with district regulations and guidelines.

The Principal reviewed the *Purchasing Card Program Policies and Procedures Manual* with the purchasing clerk, specifically as it relates to Section 10, Purchasing Card Limitations and Restrictions. The Principal instructed the Purchasing Clerk to refrain from making any purchases of Furniture, Fixtures, and Equipment (FF&E) greater than \$999.99 utilizing the P-Card.

On June 10, 2015 the Principal met with the Assistant Principal, Treasurer, and Head Custodian to review Weekly Briefing (WB) 9386 *District Policy for Purchase of Custodial Supplies and Equipment*. The Principal has instructed all personnel to purchase only products authorized by Stores and Mail Distribution (S&MD) and the Custodial Standards Committee.

On June 10, 2015 the Principal met with all persons responsible: Assistant Principal, Treasurer, Purchasing Clerk, Head Custodian, Activities Director, and specific staff members, to review Section II, Chapter 4 of the *Manual of Internal Fund Accounting*. The Principal advised all affected personnel to discontinue the use of vendor issued credit cards. The Treasurer was instructed to contact the appropriate vendors to ensure the accounts are closed.

The Principal, Assistant Principal, Treasurer, and Purchasing Clerk will meet at the end of the month to review the current status of purchases and disbursements through the internal fund account and P-Card in order to ensure compliance with District mandated policies and accurate

record keeping. Any discrepancies will be corrected immediately and non-compliance will be addressed with the responsible person(s).

Should you require additional information, please do not hesitate to contact me at your convenience.

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

June 9, 2015

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

FROM: Bridget L. McKinney, Principal *Bh*
Allapattah Middle School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
ALLAPATTAH MIDDLE SCHOOL FOR 2012-2013, 2013-2014, AND
2014-2015

Based on the internal audit report recommendations the following development plan and corrective actions will be developed and implemented at Allapattah Middle School.

FINDINGS AND RECOMMENDATIONS

Questionable purchases made with Title I Program and District funds

- 1.1. The school administration should review the Purchasing Credit Card Program guidelines, and in particular, the guidelines associated with the Title I Program to ensure that purchases comply with District Policy.
- 1.2. The school administration should request training from Title I Administration to ensure future compliance with purchases made with Title I funds.
- 1.3. The school administration should devise a system to system to track all technology items purchased and distributed to the school.
- 1.4. The school administration should monitor all gasoline purchases to ensure they are appropriate for custodial equipment, purchased in quantities that are safe to transport, and that the corresponding invoice/receipt is signed to indicate the person who made the purchase. In addition, the school administration should ensure that the fuel is handled and stored safely.

Person(s) Responsible: Principal, Secretary/Treasurer

Management Response:

The Principal will review the Purchasing Credit Card Program guidelines, especially those associated with the Title I Program. Assistant Principal and Secretary/Treasurer will attend trainings to ensure compliance with Manual of Internal Fund Accounting and Title I Administration.

The Principal and Assistant Principal will ensure that purchases comply with District Policy and Title I Administration Policy, as well as, provide a clear rationale for the purchasing of all school supplies for the purpose of equipping classrooms and students with necessary educational tools.

Procedures have been implemented to closely monitor incoming/outgoing of equipment. The sign-out log will require school administration authorizing signature and a time frame for return of equipment. Assistant Principal will conduct a semi-annual property inventory and all obsolete equipment will be removed, following District Policy and procedures.

Gasoline purchases will be closely monitored, including gasoline quantity, gasoline grade, and submission of gasoline invoices. School administration heeded District's Safety Department's recommendations regarding the storing and handling of gasoline on school campus. School administration will communicate with Head Custodian to ensure these safety procedures remain in place.

FINDINGS AND RECOMMENDATIONS

Instances of non-Compliance with P-Card program's general disbursement documentation guidelines

- 2.1. The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 2.2. The school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.**
- 2.3. 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 quotation, one of which must be from a certified minority enterprise; and 2) the lowest quotation is selected.**
- 2.4. The school administration should ensure that all field trip documentation is maintained on file.**

Person(s) Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response:

The Principal will review the Purchasing Credit Card Program guidelines to ensure compliance with District Policy. School administration will monitor payment and receipt procedures to ensure compliance with District Policy. Bid requirements will be enforced

by the Principal, Assistant Principal, and Treasurer, especially the securing and documenting of required number and type of bids and the selecting of lowest quotation.

The Principal and Assistant Principal will continue to monitor field trip documentation and filing process. .

FINDINGS AND RECOMMENDATIONS

Community Involvement Specialist and Science Coach assignments not compliant with Title I program policy

3.1. Regarding the CIS and the Parent Resource Center, the school administration should assess the work of the CIS and discuss the filing documentation requirements with the individual hired to perform the CIS duties to ensure that documentation and reports are filed. In addition, the school administration should ensure that the location of the Parent Resource Center is clearly identified and advertised, and appropriate documentation is available to parents.

3.2. The school administration should ensure that Coaches' schedules and assignments comply with the requirements of the job.

Person(s) Responsible: Principal, Assistant Principal, CIS

Management Response:

The Principal and CIS will attend training to ensure compliance with all Title I procedures. The CIS will review Section F of the Title I Administration Handbook. The Principal and Assistant Principal will monitor CIS daily schedule and duties to ensure adherence to the assigned work schedule and requirements of Title I guidelines. The Assistant Principal will monitor the securing and filing of required documentation, as delineated in the Title I Administration Handbook. Any anomalies will be corrected immediately.

School administration will ensure the Parent Resource Center is clearly identified, advertised, and properly stocked with materials intended to foster parent involvement.

A new CIS was hired for the 2014-2015 school year. The principal met with new CIS and reviewed the job duties and responsibilities.

The Principal will ensure that Coaches' schedules and teaching assignments comply with the requirements of the respective positions.

FINDINGS AND RECOMMENDATIONS

Certain payroll practices not compliant with District Policy

- 4.1. The school administration should adhere to the provisions in the Payroll Processing Procedures Manual and the contract with the United Teachers of Dade when approving working assignment of instructional personnel that involves the granting of compensatory time.
- 4.2. The school administration should ensure that temporary duty is properly justified with agendas and supporting documentation and documents are maintained on file for audit.
- 4.3. The school should discuss the procedures with the payroll clerk and the staff members in charge of the Absence Reporting Log to ensure the leave reported in the payroll records is properly supported with the information recorded in the Absence Reporting Log.

Person(s) Responsible: Principal, Secretary/Treasurer, Substitute Locator

Management Response:

The Principal met on June 10th, 2015, with the Secretary/Treasurer and substitute locator to review the Payroll Processing Procedures Manual and the contract with United Teachers of Dade to ensure payroll reporting accuracy and compliance.

The Principal and Assistant Principal will monitor the submission and filing of temporary duty forms and supporting documentation to ensure accuracy and timeliness. School administration will monitor the substitute locator's Absence Reporting log to ensure the leave reported in the payroll records is properly supported with the information recorded in the Absence Reporting Log. Any anomalies will be corrected immediately.

Cc: Dr. Albert Payne Jr.
Dr. Jacques Y. Bentolila
Cynthia Gracia

MEMORANDUM

June 11, 2015
VSP#102/2014-2015
(305) 572-2800

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

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

SUBJECT: RESPONSES TO AUDIT REPORTS OF NORTH REGION OFFICE SCHOOLS

Attached, please find the response to the audit findings for the 2012-2013 and 2013-2014 fiscal years for G. K. Edelman/Sabal Palm Elementary and the 2013-2014 fiscal year for Barbara Hawkins Elementary. The North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

G.K. Edelman/Sabal Palm Elementary

1. Discrepancies in the After School Community (ASC) Program Recordkeeping and Supporting Documentation and Inadequate Controls over the Receipting of ASC Program Collections

Although the previous Principal made a decision to provide aftercare services through an outside agency (South Florida After School All Stars) beginning with the 2014-2015 school year, the North Region Office Financial/Business Operations Director and the new Principal established an organized plan for the Principal to implement and monitor should the school resume the Principal-Operated Fee-Supported Program. The Principal will thoroughly review the Community School Procedures Manual and the Manual of Internal Fund Accounting with the Program Manager.

In addition, should the program resume, the Principal has been instructed to identify a school administrator to oversee the daily operations of the program, ensure staff is well-trained to thoroughly understand the job responsibilities and that regular reviews are in place to ensure the procedures are in compliance.

In addition, should the program resume, the Principal has been instructed to ensure that the program administrator enforces staff to issue receipts upon payment and that a schedule for collecting payments is established as well as a process to follow up with parents not making payments.

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

2. Financial Activities of the School and the School Allied Organization Not Clearly Segregated

The North Region Office Financial/Business Operations Director and the new Principal established an organized plan for the PTA President/Data Input Specialist to thoroughly review the *Manual of Internal Fund Accounting*. The Principal has been instructed to make changes so that school staff no longer handles monies associated with the PTA.

In addition, the Principal was instructed to meet with the PTA Board to ensure that a signed letter will accompany any donations made to the school in the future. Also, the Principal will register for the District's Internal Funds training.

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

Barbara Hawkins Elementary

1. Inadequate Controls Over the Bookkeeping Function Resulted in Errors and Incomplete/Inadequate Financial Records of the School

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Secretary/Treasurer and develop a systematic approach to ensure that bookkeeping functions are completed properly and that financial records are maintained adequately. The Principal will schedule a meeting with the District's Internal Funds Business Manager to assistance with organizing and monitoring the process as well.

The Principal has been instructed to devise a schedule in which she will monitor the internal funds accounts on a weekly basis with the Secretary/Treasurer to assure there are no co-mingling of funds, that revenues are posted accordingly, and that Journal Voucher Forms are completed accurately. Also, the Principal has been instructed to train faculty and staff on the procedures for collecting money and utilizing Recap of Collection forms.

In addition, the Principal and Secretary/Treasurer have been instructed to register for the District's Internal Funds training.

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

2. Grant Funds Not Spent In Accordance With Stipulated Grant Guidelines

The North Region Office Financial/Business Operations 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 Secretary/Treasurer.

The Principal has been directed to meet regularly with the Secretary/Treasurer to ensure that grant deadlines are met and that requests for grant extensions or changes to the intended use of the grant are requested in a timely manner.

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

3. Inadequate Controls Over Disbursements Made With the Purchasing Credit Card or Internal Funds Resulted in Documentation that was Incomplete and Non-Compliant with Bid Requirements and Title I Program Requirements

The North Region Office Financial/Business Operations Director and the Principal established a plan for the Principal to implement and monitor with the affected staff. The Principal will thoroughly review the Purchasing Credit Card Program Policies and Procedures Manual and the Title I Administration Handbook with the Secretary/Treasurer.

The Principal has been instructed to meet regularly with the Secretary/Treasurer to ensure that documented quotes/bids are obtained, including one minority vendor, when a purchase is over \$1,000 and that they will be kept on file with invoice attached.

In addition, the Principal will meet regularly with the Secretary/Treasurer to ensure that when equipment is purchased with Title I Funds, it is charged to a capital equipment account versus a supplies account.

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

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

VSP/SA

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

MEMORANDUM

June 17, 2015

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 REPORT FOR
HIALEAH ELEMENTARY SCHOOL

The following is a response to relevant findings in the school's audit reports.

Central Region Office has reviewed the audit response for the above-mentioned school.

HIALEAH ELEMENTARY SCHOOL

RECOMMENDATIONS:

- 1.1. The school administration should review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.
- 1.2. The school administration should strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements, including the preparation, approval and posting of purchase orders to the system.
- 1.3. The school administration should direct staff to ensure that purchase orders are prepared and signed timely and vendors are paid in a timely manner.

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

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor funds.
- 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 internal funds records are properly maintained.

RECOMMENDATIONS:

2. **Going forward, the school administration should carefully review the monthly report titled Authorized "*Applications for Employees by Locations*" Report to ensure that access to school site computer applications is adequately restricted, and any changes to staff's access to these applications remain compliant with current District guidelines. Also, access should be revoked for any employees no longer working at this location.**

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

- The affected Principal 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 in collaboration with the appropriate district office will coordinate a support system for the Principal and designee to ensure that school site computer applications comply with District guidelines.
- The Principal will be directed to notify the Central Region Office Financial/Business Operations Administrative Director each month at the completion of the review of the "Applications for Employees by Locations" Report

If there are any additional questions, please contact me. Thank you for your assistance and cooperation.

cc: Dr. Jacques Bentolila
Ms. Cynthia Gracia

MEMORANDUM

June 17, 2015

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

FROM: Albert Payne, Region Superintendent
Central Region Office

SUBJECT: CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORT FOR
SHENANDOAH MIDDLE SCHOOL

The following is a response to relevant findings in the school's audit reports.

Central Region Office has reviewed the audit response for the above-mentioned school.

SHENANDOAH MIDDLE SCHOOL

RECOMMENDATIONS:

- 1.1 The school administration should devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.**
- 1.2 The school administration should ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.**
- 1.3 The monitoring and accounting of property should be strengthened by conducting in-house property inventories periodically to identify discrepancies and resolve them in a timely manner.**
- 1.4 The equipment should be assessed periodically to ensure that equipment deemed obsolete is properly and timely removed from the inventory.**

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

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor property.
- 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 the safeguarding of assets and the management of property.

If there are any additional questions, please contact me. Thank you for your assistance and cooperation.

cc: Dr. Jacques Bentolila
Ms. Cynthia Gracia

MEMORANDUM

June 22, 2015

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

FROM: Albert Payne, Region Superintendent
Central Region Office

SUBJECT: CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORT FOR
ALLAPATTAH MIDDLE SCHOOL

The following is a response to relevant findings in the school's audit reports.

Central Region Office has reviewed the audit response for the above-mentioned school.

ALLAPATTAH MIDDLE SCHOOL

RECOMMENDATIONS:

- 1.1. The school administration should review the Purchasing Credit Card Program guidelines, and in particular, the guidelines associated with the Title I Program to ensure that purchases comply with District Policy.
- 1.2. The school administration should request training from Title I Administration to ensure future compliance with purchases made with Title I funds.
- 1.3. The school administration should devise a system to track all technology items purchased and distributed to the school.
- 1.4. The school administration should monitor all gasoline purchases to ensure they are appropriate for custodial equipment, purchased in quantities that are safe to transport, and that the corresponding invoice/receipt is signed to indicate the person who made the purchase. In addition, the school administration should ensure that the fuel is handled and stored safely.

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

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor the Title 1 Program and Property Management.
- 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 the safeguarding of assets and the management of the Title 1 Program and Property Management.

RECOMMENDATIONS:

- 2.1 The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 2.2. The school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.**
- 2.3. 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 quotation, one of which must be from a certified minority enterprise; and 2) the lowest quotation is selected.**
- 2.4. The school administration should ensure that all field trip documentation is maintained on file.**

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

- The affected Principal 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 Principal to attend financial training workshops to help successfully monitor the Purchasing Credit Card Program and Internal Funds.
- 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 school site comply with District guidelines dealing with the Purchasing Credit Card Program and Field Trips.

RECOMMENDATIONS:

- 3.1 Regarding the CIS and the Parent Resource Center, the school administration should assess the work of the CIS and discuss the filing documentation requirements with the individual hired to perform the CIS duties to ensure that documentation and reports are filed. In addition, the school administration should ensure that the location of the Parent Resource Center is clearly identified and advertised, and appropriate documentation is available to parents.**
- 3.2. The school administration should ensure that Coaches' schedules and assignments comply with the requirements of the job.**

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

- The affected Principal 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 Principal to attend Title 1 training workshops to help successfully monitor the Title 1 Program and Personnel.
- 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 the safeguarding of assets and the management of the Title 1 Program and Personnel.

RECOMMENDATIONS:

- 4.1. The school administration should adhere to the provisions in the Payroll Processing Procedures Manual and the contract with the United Teachers of Dade when approving working assignment of instructional personnel that involves the granting of compensatory time.**
- 4.2. The school administration should ensure that temporary duty is properly justified with agendas and supporting documentation and documents are maintained on file for audit.**
- 4.3. The school should discuss the procedures with the payroll clerk and the staff members in charge of the Absence Reporting Log to ensure the leave reported in the payroll records is properly supported with the information recorded in the Absence Reporting Log.**

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


- The affected Principal 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 review with the Principal payroll procedures to ensure proper implementation and monitoring.
- 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 payroll records are properly maintained.

cc: Dr. Jacques Bentolila
Ms. Cynthia Gracia

MEMORANDUM

June 18, 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 the 2013-2014 fiscal year for Leewood K-8 Center, F.C. Martin K-8 Center, Miami Arts Studio 6-12@Zelda Glazer and John A. Ferguson Senior High School. The South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Leewood K-8 Center School

1. Inadequate Controls Over The Receipting of Before/After School Care and Community School Program Collections

The South Region Office Financial/Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting and the Weekly Briefing No. 5164 and develop a systemic plan for ensuring the proper collection and receipting of funds related to the Before/After School Care and Community School Program to ensure the proper safeguarding of the school's funds.

The South Region Office Financial/Business Operations Administrative Director, cooperatively with the Principal, will schedule technical training with staff from the Office of Community Education for essential staff.

F.C. Martin 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 addressing staff that do not adhere to the guidelines for signing in and out, as required, on a daily basis. 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 and unannounced 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.

Miami Arts Studio 6-12@Zelda Glazer

1. Purchases Made With Internal Funds Or Purchasing Card (P-Card) Not Compliant with Procurement Guidelines

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Purchasing Credit Card Program Policies & Procedures Manual and School Board Policy 6610 *Internal Accounts* and 6320 *Purchasing* with the Purchasing Clerk, Treasurer and Assistant Principal to ensure that procedures are appropriately followed as related to credit transactions and to ensure compliance with the District policy and procedures related to bids. The procedures will be randomly reviewed by the South Region Office Financial/Business Operations Director

2. Inadequate Recordkeeping and Deficiencies in The Management of the Infant and Toddler Care Program

The South Region Office Financial/Business Operations Administrative Director instructed the Principal to contact the Office of Early Childhood Program to request assistance in entering a contract for subsidized childcare services.

Furthermore, the Financial/Business Operations Director will solicit assistance from the Office of Early Childhood Program to work jointly with the Principal and develop a plan for ensuring the proper recordkeeping procedures are followed as they relate to the Infant and Toddler Care Program.

John A. Ferguson Senior High School

1. Inadequate Controls Over Disbursements Led To Non-Compliance with Internal Funds And P-Card Policy

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Purchasing Credit Card Program Policies & Procedures Manual and School Board Policy 6610 *Internal Accounts* and 6320 *Purchasing* with the Purchasing Clerk, Treasurer and Assistant Principal to ensure that procedures are appropriately followed as related to credit transactions and to ensure compliance with the District policy and procedures related to bids, disbursements Fund 9 and equipment purchases.

Furthermore, the Financial/Business Operations Director instructed the newly assigned Principal to meet with Faculty and Staff at the Opening of School to ensure that they are aware of the proper purchasing procedures.

Principals will participate in the year round Fiscal Management Program.

Should you need additional information, please contact me at (305) 595-7022.

BAM:LI
M#100


Attachments

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

June 19, 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 THE NORTH, CENTRAL, AND SOUTH REGION OFFICES**

School Operations has reviewed the audit exceptions cited in the 2013-2014 and/or 2014-2015 fiscal year(s) audit reports of the following schools reporting to the North, Central, South Region Offices and the Educational Transformation Office: Barbara J. Hawkins Elementary School; Gertrude K. Edelman/Sabal Palm Elementary Schools; Hialeah Elementary School; Shenandoah Middle School; Leewood K8 Center; Frank C. Martin K8 Center; Miami Arts Studio 6-12 @ Zelda Glazer; John A. Ferguson Senior High and Allapattah Middle School. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Directors on mini-reviews conducted in selected areas of Payroll, Receipting and Depositing; Program Recordkeeping; Infant/Toddler Care; After-School and Community Program; Bid Requirements; Title I Grants and Purchases; PTA Activities and Property. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Affected Principals will participate in a yearlong fiscal management training;
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money Does Matter Support Program.

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
M097

cc: Mr. Jose Dotres
Region Superintendents
Region Financial/Business Operations Directors

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 JUNE 2015

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