

Internal Audit Report



Selected Schools



*Most Financial Statements Were
Fairly Stated; However, At Ten
Schools, Controls In Selected Areas
Need Improvement.*

June 2010

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Mr. Alberto M. Carvalho
Superintendent of Schools

Mr. Jose F. Montes de Oca, CPA
Chief Auditor
Office of Management and Compliance Audits

Contributors To This Report:

School Audits Performed by:

Ms. Martha Anderson
Mr. Luis O. Baluja
Ms. Yvonne Barrios
Mr. Harry Demosthenes
Ms. Jeanette Hanna
Ms. Maite Jimenez
Ms. Mariela Jimenez
Mr. Reginald Lafontant
Ms. Dina Pearlman, CIA, CISA
Ms. Teresita M. Rodriguez, CPA
Mr. Elliott Satz
Ms. Latosha Styles
Ms. Glendys Valls
Ms. Jeannie Vilato

School Audits Supervised and Reviewed by:

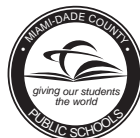
Ms. Maria T. Gonzalez, CPA
Ms. Germa Plaza, CPA
Ms. Tamara Wain, CPA

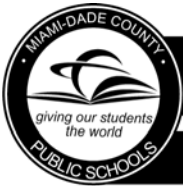
Property Audits Supervised and Performed by:

Ms. Maria T. Gonzalez, CPA and Property Audits Staff

School Audit Report Prepared by:

Ms. Maria T. Gonzalez, CPA
Ms. Latosha Styles





Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

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June 22, 2010

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

Ladies and Gentlemen:

This report includes the audit results of 61 schools and centers currently reporting to various region and select district offices. At two of the 61 schools, there was a change of principal since the prior audit; while this was the first-year audit at four schools. The audit period is one fiscal year ended June 30, 2009.

The main objectives of these audits were to express an opinion on the financial statements of the schools, evaluate compliance with District policies and procedures, and ensure that assets are properly safeguarded. The audits included a review of internal funds. On a selected basis, we reviewed payroll, credit card purchases, Title I Program expenditures and procedures, FTE reporting and student records, and aspects of data security. The results of property inventories for a portion of the schools included herein and for other schools where a property inventory was completed but not previously reported are also included.

Our audits disclosed that the financial statements for most of the schools reported herein were fairly stated. At 51 of the 61 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. However, at ten schools, controls over the internal funds, the reporting of payroll, Title I Program and procedures, Full-Time Equivalent (FTE) records and procedures, and school site Information Technology (IT) security need improvement. In addition, our recent school site IT audits identified certain issues at two senior high schools, which are reported herein, and for which the District provided corrective action. Property audit results were satisfactory at most schools being reported. At one of these schools, substantial property losses reported through the Plant Security Report process required corrective action from the school administration.

The audit findings were discussed with school, region and district administrations, and responses are included in this report. In closing, we would like to thank the schools' 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

TABLE OF CONTENTS

	<u>Page Number</u>
EXECUTIVE SUMMARY	1
CONDENSED ANNUAL FINANCIAL REPORTS.....	10
INTERNAL CONTROLS RATING	14
SUMMARY SCHEDULE OF AUDIT FINDINGS	18
LIST OF SCHOOL PRINCIPALS.....	24
PROPERTY SCHEDULES	30
FINDINGS AND RECOMMENDATIONS	
INTERNAL FUNDS	
1. Former Treasurer Fabricated Documentation To Circumvent Deposit Procedures, And Controls Over Bookkeeping And Fund-Raising Activities Were Inadequate <i>Leisure City K-8 Center</i>	34
2. Internal Funds Checks Not Properly Safeguarded On School Premises <i>North Miami Adult Education Center</i>	38
3. Inadequate Controls Over Receipts And Deposits <i>Charles R. Drew Middle School</i>	40

TABLE OF CONTENTS (Continued)

		<u>Page Number</u>
4.	School-Sponsored Activities Non-Compliant With Guidelines <i>Charles R. Drew Middle School</i>.....	43
5.	Types of Expenditures Made And Transfers of Funds Between Accounts Not Compliant With Internal Funds Policy <i>North Miami Senior High School</i>.....	47
6.	Expenditures Processed Through The Instructional Materials And Supplies (Fund 9) Account Not Compliant With Fund 9 Guidelines <i>North Miami Senior High School</i>.....	50
7.	Disbursement Function Not Compliant With Disbursement Guidelines <i>North Miami Senior High School</i>.....	53
8.	Inadequate Controls over Athletic Fund Balance and Athletic Ticket Inventory <i>Miami Northwestern Senior High School</i>	57
9.	Inappropriate Monitoring of Internal Funds Account Balances Resulted in Year-End Deficits <i>North Miami Senior High School</i>.....	60

TABLE OF CONTENTS (Continued)

	<u>Page Number</u>
10. Before/After School Care Program Not Properly Managed And Payment And Attendance Records Were Inadequate <i>Myrtle Grove Elementary</i>	62
11. Inadequate Oversight Of Before/After School Care Program Located At Paul L. Dunbar Elementary School Satellite <i>Charles R. Drew Middle School.....</i>	67
PAYROLL	
12. Inaccurate Reporting And Documenting Of Payroll <i>Charles R. Drew Middle School.....</i>	70
TITLE I PROGRAM AND PROCEDURES	
13. Title I Account Balances Improperly Monitored And Payroll Expenditures Improperly Documented <i>Charles R. Drew Middle School.....</i>	72
14. Community Involvement Specialist (CIS) Duties Non-Compliant With Home Visitation And Recordkeeping Requirements <i>Charles R. Drew Middle School.....</i>	75

TABLE OF CONTENTS (Continued)

	<u>Page Number</u>
15. Inadequate Recordkeeping of Professional Development Activities Conducted And Attended by the Title I Reading Coach <i>Charles R. Drew Middle School</i>	77
FULL-TIME EQUIVALENT (FTE) REPORTING	
16. Discrepancies In Special Education Student Records Resulted In FTE Funding Disallowances <i>Aventura Waterways K-8 Center</i>	79
17. Discrepancies In Special Education Student Records Resulted In FTE Funding Disallowances <i>Coral Reef Elementary School</i>	82
18. Discrepancies In Special Education Student Records Resulted In FTE Funding Disallowances <i>North Miami Senior High School</i>	85
19. Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential Funding Disallowances <i>North Miami Senior High School</i>	88
SCHOOL SITE IT SECURITY	
20. IT Function At School Site Not Properly Monitored And Maintained <i>Miami Heights Elementary School</i>	91

TABLE OF CONTENTS (Continued)

	<u>Page Number</u>
21. IT Function At School Site Not Properly Monitored And Maintained <i>Horace Mann Middle School</i>	93
22. IT Function At School Site Handled By Hourly Personnel Not Properly Maintained <i>Information Technology Services</i>	96
OBJECTIVES, SCOPE AND METHODOLOGY	100
BACKGROUND.....	102
PARTIAL ORGANIZATIONAL CHART	107
APPENDIX—MANAGEMENT’S RESPONSES	
Region II Schools	
Aventura Waterways K-8 Center	108
Myrtle Grove Elementary School	109
Horace Mann Middle School.....	110
North Miami Senior High School.....	112
Region III Schools	
Charles R. Drew Middle School.....	116
Miami Northwestern Senior High School	120
Region V Schools	
Coral Reef Elementary School	121
Leisure City K-8 Center	123
Miami Heights Elementary School.....	125
Adult/Career Technical Education Center	
North Miami Adult Education Center	126

TABLE OF CONTENTS (Continued)

	<u>Page Number</u>
Region II Administration's Response	127
Region III Administration's Response	131
Region V Administration's Response.....	134
<i>District Department's Responses To Selected School Audits</i>	
Information Technology Services Response Re: School Site IT Audits At Selected Senior High Schools	136
Region I and Region IV Administrations' Response	140
District/School Operations' Responses	
Region Schools	141
Adult/Career Technical Education Center	143
ITS Function At Selected Senior High Schools	144

EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 61 schools and centers, two of which experienced a change of principal since the prior audit, and four whose first audit is reported for the fiscal year 2008-09. These 61 schools include two Region I schools, four Region II schools, two Region III schools, 24 Region IV schools, 25 Region V schools, three adult education centers and one alternative education center which currently reports to the Adult/Vocational, Alternative Education Program and Community Education division within District/School Operations. The audit period for the schools reported herein was one fiscal year ended June 30, 2009.

The audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 51 of the 61 schools reported herein. The ten schools with reported audit findings are:

School Name	Region
1. Aventura Waterways K-8 Center	II
2. Myrtle Grove Elementary	II
3. Horace Mann Middle	II
4. North Miami Senior High	II
5. Charles R. Drew Middle	III
6. Miami Northwestern Senior High	III
7. Coral Reef Elementary	V
8. Leisure City K-8 Center	V
9. Miami Heights Elementary	V
10. North Miami Adult Education Center	Adult Ed.

In addition to the ten schools, our findings include certain issues related to the IT function at Barbara Goleman and Felix Varela senior high schools, for which Informational Technology Services (ITS) provided a response.

Audit findings relate to the internal funds' receipting and disbursement functions, merchandising activities, Before/After School Care program records and athletic ticket inventories. Particularly at one of the schools, an audit investigation disclosed the fabrication of deposit documentation to conceal that funds were not being deposited in the bank. Other audit findings related to payroll, Title I Program, Full-Time Equivalent (FTE) reporting and records, and school site Information Technology (IT) security.

At-A-Glance Audit Results

- ♦ Of 61 Schools, Two Were Reviewed As A Result Of A Change Of Principal And Four As First Year Audits
- ♦ 61 Schools Include Schools From Regions I-V & Adult And Alternative Education Centers
- ♦ 51 Of 61 Schools Were Compliant With District Policies And Procedures.

At-A-Glance Results

- ◆ **Financial Statements Fairly Stated At 59 Of 61 Schools**
- ◆ **During FY2008-2009, 61 Schools Receipted And Disbursed Almost \$19.8M And \$21.2M, Respectively; At Year-End, Almost \$4.1M Total Cash And Investments**
- ◆ **Internal Funds Reviewed At All 61 Schools; 55 Schools Compliant With Policy.**

Refer to the Summary Schedule of Audit Findings on pages 18-23. Management agreed with our recommendations and provided responses for corrective action. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 34-99); and in the Appendix section in memorandum format (Pages 108-144).

Notwithstanding the conditions and findings reported herein, at 59 of the 61 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2008-2009 fiscal year, on the cash basis of accounting.

At Myrtle Grove Elementary, except for the activity in the Community School Program Fund, as disclosed in the findings cited herein, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from transactions during the 2008-09 fiscal year, on the cash basis of accounting. However, at Leisure City K-8 Center, those conditions which included the fabrication of internal funds records; the circumvention of controls over the receipting and depositing of funds; and the inadequacy of controls over student and fund-raising activities of the school as disclosed in the findings cited herein, do not allow us to express an opinion as to whether the financial statement of the internal funds of the school were fairly presented on the cash basis of accounting for the 2008-09 fiscal year.

As of June 30, 2009, for all 61 schools and centers reported herein, total combined receipts and disbursements amounted to \$19,824,858 and \$21,152,734 respectively; while total combined cash and investments amounted to \$4,138,285 (Pages 10-13).

As of June 30, 2009, the internal control structure at 60 of the 61 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools, and as a whole at Leisure City K-8 Center.

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

INTERNAL FUNDS

Internal funds records and procedures were reviewed at all 61 schools. Of 61 schools, 55 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*.

At Leisure City K-8 Center, the Principal requested an investigation because of discrepancies with the checking account's bank statements and the documentation supporting the deposits. We found that the former treasurer fabricated bank statements and deposit records to conceal her withholding of funds, which she later replaced. We determined that the former treasurer abused her position to obtain a personal benefit. The case was referred to the State Attorney's Office for its consideration (Pages 34-37).

At North Miami Adult Education Center, several unused checks were missing from the checkbook. A similar condition was cited in the prior audit report. The checkbook and unused checks were stored inside a cabinet which was not properly locked (Pages 38-39).

At Charles R. Drew Middle, two incidents reported the disappearance of four deposit bags totaling almost \$2,000 from the school's safe. We could not determine the identity of the person(s) who stole these funds because the deposit storage area was accessible to several individuals. For the audit period up to December 2009 we found delays in the deposit of funds. We also found incomplete documentation supporting the deposits; discrepancies in the recordkeeping of various fund-raising and student activities; and many discrepancies in the student payment and attendance records corresponding to the Before/After School Care Program at Paul L. Dunbar Elementary, an off-site location that reports to Charles R. Drew Middle's Community School. The program manager who resided at the off-site location and who was in charge of the recordkeeping resigned prior to the audit. The program does not have significant revenues, as most students are on subsidized child care (Pages 40-46 and 67-69).

At North Miami Senior, disbursements were not always made from the appropriate accounts and in compliance with established account guidelines and policies.

At-A-Glance Audit Results

- ◆ **Audit Investigation At Leisure City K-8 Because Of Fabricated Bank And Deposit Records**
- ◆ **Unused Checks Missing At North Miami Adult**
- ◆ **Deposits Bags Lost And Other Discrepancies With Records At Charles Drew Middle**
- ◆ **Disbursement Function Not Properly Managed At North Miami Senior.**

At-A-Glance Audit Results

- ◆ **Year-End
Athletic Fund
Deficit And
Athletic Tickets
Missing At
Miami
Northwestern
Senior**
- ◆ **Before/After
School Care
Program
Discrepancies
at Myrtle
Grove
Elementary**
- ◆ **Payroll
Reviewed at
27 of 61
Schools**
- ◆ **26 Schools
Compliant
With Payroll
Policies.**

Other disbursement discrepancies included: incomplete supporting documentation, late payments; food fundraising merchandise procured from cash collections and non-compliant with the District's healthy food guidelines; and the purchase of a large cashier's check to pay in full a student activity's venue prior to its occurrence. We also found that the Trust Fund closed the year with an overall deficit balance, since one of its subsidiary accounts did not have sufficient funds to cover the related expenses (Pages 47-56 and 60-61).

At Miami Northwestern Senior, the Athletic Fund closed the year with a deficit balance of \$(1,773). A similar condition was cited in the prior audit report. For the 2009-10 fiscal year, as of June 7, 2010, the Athletic Fund had a positive balance. Our verification of the ticket inventory and subsidiary records disclosed that the school could not account for 2,350 tickets of \$6 denomination with a sales value of \$14,100 (Pages 57-59).

At Myrtle Grove Elementary, a principal-operated Before/After School Care Program started in the 2008-09 fiscal year. For the audit period up to February 2010 the former Program Manager did not follow the procedures for recording student payments and student attendance; and did not enforce the collection of fees for services rendered. Consequently, student payment and attendance records disclosed various errors and discrepancies. Other than the discrepancies noted during our review of the records, nothing came to our attention to indicate that monies received had not been deposited in the bank (Pages 62-66).

PAYROLL

We reviewed payroll records and procedures at 27 of the 61 schools reported herein. The 27 schools are:

- **Charles R. Drew Middle**
- John I. Smith Elementary
- Aventura Waterways K-8 Center
- Horace Mann Middle
- North Miami Senior
- Miami Northwestern Senior
- Paul W. Bell Middle
- Zelda Glazer Middle
- Miami Coral Park Senior
- Miami Killian Senior
- Felix Varela Senior
- Caribbean Elementary

- Coconut Palm K-8 Center
- Leisure City K-8 Center
- Mandarin Lakes K-8 Center
- Frank C. Martin K-8 Center
- West Homestead Elementary
- Campbell Drive Middle
- Centennial Middle
- Cutler Ridge Middle
- Homestead Senior
- Miami Palmetto Senior
- Robert Morgan Educational Center
- South Dade Senior
- The 500 Role Model Academy
- Miami Sunset Adult Education Center.
- South Dade Adult Education Center

All but one of the schools were in general compliance with the *Payroll Processing Procedures Manual*.

At Charles Drew Middle, recent payrolls revealed discrepancies with the time and attendance reported for hourly and daily paid employees; and with the leave cards documenting employee absences. Similar payroll conditions were cited in the prior audit report. Payroll corrections associated with these conditions were processed by the school at our request (Pages 70-71).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 49 of the 61 schools included herein. At the remaining 12 schools, property inventories are currently in progress and results will be reported next fiscal year. We are also including the inventory results of eight other schools whose property inventory was completed but not previously reported. Approximately \$46.3 million was inventoried at the 57 schools reported herein.

Property results indicated that 54 of the 57 schools were in compliance with the *Manual of Property Control Procedures*. A total of 12 items with an acquisition cost of \$35,171 and a depreciated value of \$21,064 were reported “unlocated” at three schools. Refer to Property Schedules on pages 30-32.

Property inventories include the review of property losses reported by the schools through the Plant Security Report process.

At-A-Glance Audit Results

- ◆ **Discrepancies Related to Time and Attendance At Charles R. Drew Middle**
- ◆ **Property Reported For 49 Of 61 Schools And For 8 Others; Remaining 12 In Progress**
- ◆ **54 Of 57 Schools Compliant With Property Procedures.**

At-A-Glance Audit Results

- ◆ Plant Security Reports Losses At Charles R. Drew Middle Due To Break-Ins
- ◆ P-Card Reviewed At 11 Schools
- ◆ All 11 Schools Compliant With P-Card Procedures
- ◆ Title I Program Expenditures At Two Schools Totaled Almost \$659K.

Our analysis of Plant Security Report losses for the schools reported herein disclosed a total of 44 items at a cost of \$86,783 and a depreciated value of \$28,993 reported missing at 21 schools (Page 33). The most significant losses were reported at Charles R. Drew Middle, where various equipment items with an acquisition cost of approximately \$27,554 (total depreciated value of approximately \$17,613) was stolen during five separate break-in incidents (Page 33). School administration provided an action plan addressing the implementation of stricter controls over property (See Appendix, Page 119).

PURCHASING CREDIT CARD (P-CARD)

We reviewed the P-Card Program's procedures and records at the following 11 schools:

- Aventura Waterways K-8 Center
- Miami Northwestern Senior
- Zelda Glazer Middle
- Miami Sunset Senior
- Leisure City K-8 Center
- Mandarin Lakes K-8 Center
- Frank C. Martin K-8 Center
- Cutler Ridge Middle
- Palmetto Middle
- Miami Palmetto Senior
- South Dade Senior

Our audits disclosed general compliance with the *Purchasing Credit Card Program Policies & Procedures Manual* at all 11 schools.

TITLE I PROGRAM

A review of Title I Program expenditures and procedures for the 2008-2009 fiscal year was conducted at two schools:

School	Title I Program Expenditures
Charles R. Drew Middle	\$ 291,764
Horace Mann Middle	367,222
Total	\$ 658,986

Total expenditures incurred under various Title I programs amounted to almost \$659,000. Audit results disclosed that one school was generally compliant with the policies and procedures established by the *Title I Administration Handbook*.

At Charles R. Drew Middle, we found accounts earmarked for hourly payroll expenses and purchases of supplies and other similar goods/services with significant balances at the closing of the year. The school did not properly plan their Title I budget for the 2008-09 fiscal year. Also, records maintained by the Community Involvement Specialist and the Reading Coach were not in proper order. *Some of these conditions were cited in the prior audit report.* (Pages 72-78).

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following five schools were selected for these audits:

School	FTE Funding Reported
North Miami Senior	\$ 5,430,787
Aventura Waterways K-8 Center	3,245,720
Coral Reef Elementary	1,874,138
Campbell Drive Middle	1,559,837
Homestead Senior	3,446,372
Total	\$ 15,556,854

The total FTE funding amounted to approximately \$15.6 million for the five schools combined. Records corresponding to FY 2009-10 FTE Survey Period two (2) were reviewed at North Miami Senior and Aventura Waterways K-8, while Survey Period three (3) was reviewed at the rest of the schools. Of the five schools, two were generally compliant with FTE recordkeeping and reporting procedures.

At Aventura Waterways K-8 Center, Coral Reef Elementary School and North Miami Senior High School, discrepancies identified in the FTE records reviewed could have generated a combined potential funding loss to the District of approximately \$71,500. Other errors and omissions observed in the student folder documentation reviewed did not negatively impact funding levels (Pages 79-90).

At-A-Glance Audit Results

- ◆ **Budgeted Funds Not Spent By Year-End; CIS And Reading Coach Records Had Problems**
- ◆ **FTE Records And Procedures Reviewed At Five Schools**
- ◆ **Total FTE Funding Approximately \$15.6M.**
- ◆ **Aventura Waterways, Coral Reef Elementary And North Miami Senior Were FTE Non-Compliant.**

At-A-Glance Audit Results

- ◆ Selected Data Security Reports Reviewed At 32 Schools, And School Site IT Security Walk-Through Conducted At 14 Schools.

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY AUDIT ASSESSMENT

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 32 schools. At 14 of these schools, we physically verified the information provided by the schools on the School Site Information Technology (IT) Assessment:

- **Miami Heights Elementary***
- **Horace Mann Middle***
- **Barbara Goleman Senior***
- **Felix Varela Senior***
- John I. Smith Elementary
- Aventura Waterways K-8 Center
- North Miami Senior
- Charles R. Drew Middle
- Miami Northwestern Senior
- Greenglade Elementary
- **Claude Pepper Elementary***
- **Rockway Elementary***
- **Arvida Middle***
- Zelda Glazer Middle
- **Howard A. Doolin Middle***
- Miami Coral Park Senior
- **Miami Killian Senior***
- **Miami Sunset Senior***
- Southwest Miami Senior
- **Caribbean Elementary***
- Florida City Elementary
- Frank C. Martin K-8 Center
- **Coconut Palm K-8 Center***
- Leisure City K-8 Center
- Campbell Drive Middle
- Centennial Middle
- Homestead Senior
- Miami Palmetto Senior
- **Robert Morgan Educational Ctr.***
- South Dade Senior
- **South Dade Adult Education Center***
- The 500 Role Models Academy Of Excellence

* School Site IT Security Walk-Through conducted at this school (14).

At 28 of the 32 schools, there was general compliance regarding staff's access to system applications and school site IT security.

At Miami Heights Elementary and Horace Mann Middle schools, our initial visit disclosed that the school site IT function was not properly monitored and maintained. These issues were discussed with the school administration and the full-time School Based Technician (SBT) for corrective action, and the schools had most issues corrected by our second and final visit (Pages 91-95).

Similar IT issues were identified at Barbara Goleman and Felix Varela senior high schools. However, these issues resulted from the schools' not having a full-time SBT on staff for some time because of the District's hiring freeze. Principals had attempted to mitigate the situation by hiring part-time personnel to maintain the IT function; however, part-time coverage was not sufficient. At the present time, both schools have a full-time SBT; and most deficiencies were corrected with significant assistance from Information Technology Services personnel (Pages 96-99). *Administration from Information Technology Services provided a corrective action plan regarding this finding.* Responses were also provided by Region Administration and District/School Operations. Refer to Pages 136-139, 140 and 144 of Appendix.

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2009 for all 61 schools and centers included herein. It also provides the audit opinion regarding the schools' financial statements:

At-A-Glance Audit Results

- ◆ 28 Of 32 Schools Compliant With Data And Network Security Standards
- ◆ School Site IT Walk-Through Revealed Deficient IT Controls At Four Schools, Two Of Which Did Not Have Full-Time SBT Because Of District's Hiring Freeze
- ◆ ITS Provided Response For Schools Without Full-Time SBT.

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2009

The condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2009 for the following 61 schools are:

Work Location Number	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Region II Schools									
0231	Aventura Waterways K-8 Center	\$ -	\$ 270,334.67	\$ 255,281.31	\$ 15,053.36	\$ 15,053.36	\$ -	\$ -	\$ 15,053.36
3581	Myrtle Grove Elementary	13,603.00	53,315.19	57,771.41	9,146.78	1,632.75	7,514.03	-	9,146.78
6411	Horace Mann Middle	31,172.15	58,857.84	65,632.27	24,397.72	10,432.93	13,964.79	-	24,397.72
7591	North Miami Senior	245,843.85	412,399.15	588,344.85	69,898.15	12,464.00	57,434.15	-	69,898.15
Region III Schools									
6141	Charles R. Drew Middle	15,628.85	267,968.13	267,901.26	15,695.72	11,210.27	4,485.45	-	15,695.72
7411	Miami Northwestern Senior	114,338.43	787,774.96	770,616.97	131,496.42	13,101.97	118,394.45	-	131,496.42
Region V Schools									
1041	Coral Reef Elementary	19,728.13	318,669.44	319,395.05	19,002.52	10,333.93	8,668.59	-	19,002.52
2901	Leisure City K-8 Center	22,503.02	115,834.31	119,216.84	19,120.49	2,685.21	16,435.28	-	19,120.49
3261	Miami Heights Elementary	31,895.83	152,965.19	160,726.76	24,134.26	5,094.76	19,039.50	-	24,134.26
0261	Bel-Aire Elementary	12,394.01	21,656.26	23,881.55	10,168.72	5,088.50	5,080.22	-	10,168.72
0661	Caribbean Elementary	8,924.14	54,648.51	55,703.12	7,869.53	2,405.31	5,464.22	-	7,869.53
0771	William A. Chapman Elementary	17,776.65	11,465.50	13,926.65	15,315.50	3,722.93	11,592.57	-	15,315.50
3621	Coconut Palm K-8 Center	5,106.04	40,266.85	29,658.54	15,714.35	15,712.77	1.58	-	15,714.35
1241	Cutler Ridge Elementary	19,852.03	416,307.31	415,403.90	20,755.44	6,421.98	14,333.46	-	20,755.44
2001	Florida City Elementary	15,654.56	19,861.46	23,401.70	12,114.32	4,751.22	7,363.10	-	12,114.32
2541	Howard Drive Elementary	51,421.35	340,182.50	358,716.69	32,887.16	29,932.61	2,954.55	-	32,887.16
0073	Mandarin Lakes K-8 Center	-	57,272.30	52,144.84	5,127.46	5,127.46	-	-	5,127.46

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2009**

Work Location Number	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
3101	Frank C. Martin K-8 Center	17,136.15	285,385.60	274,895.58	27,626.17	17,520.58	10,105.59	-	27,626.17
4391	Irving & Beatrice Peskoe Elementary	6,176.73	24,181.08	18,761.82	11,595.99	6,797.00	4,798.99	-	11,595.99
4441	Pine Lake Elementary	16,598.21	19,756.49	25,999.23	10,355.47	154.43	10,201.04	-	10,355.47
4611	Redondo Elementary	12,359.64	88,143.08	86,369.30	14,133.42	3,210.91	10,922.51	-	14,133.42
5791	West Homestead Elementary	20,773.95	21,499.66	23,929.48	18,344.13	3,000.48	15,343.65	-	18,344.13
6061	Campbell Drive Middle	19,752.87	103,012.14	98,900.03	23,864.98	15,681.92	8,183.06	-	23,864.98
6081	Centennial Middle	59,866.51	109,532.33	135,268.84	34,130.00	5,077.58	29,052.42	-	34,130.00
6111	Cutler Ridge Middle	28,897.11	117,606.48	119,060.86	27,442.73	3,819.11	23,623.62	-	27,442.73
6701	Palmetto Middle	61,069.96	260,518.34	277,729.13	43,859.17	1,729.21	42,129.96	-	43,859.17
6861	Southwood Middle	98,814.73	224,052.68	229,937.64	92,929.77	22,094.08	70,835.69	-	92,929.77
7151	Homestead Senior	280,409.56	292,780.89	426,029.93	147,160.52	4,776.82	142,383.70	-	147,160.52
7431	Miami Palmetto Senior	191,593.39	927,099.77	966,779.84	151,913.32	6,140.34	145,772.98	-	151,913.32
7371	Robert Morgan Education Center (Sr. High)*	135,244.86	494,383.15	485,365.61	144,262.40	11,147.54	133,114.86	-	144,262.40
8911	Robert Morgan Education Center (Ad./Voc)*	821,045.01	1,995,030.26	2,251,942.15	564,133.12	75,890.14	488,242.98	-	564,133.12
7701	South Dade Senior	169,960.76	486,412.01	497,415.51	158,957.26	12,968.61	145,988.65	-	158,957.26
Adult/Career Technical Education Centers									
7592	North Miami Adult Education	373,802.15	280,926.21	260,612.14	394,116.22	9,704.70	384,411.52	-	394,116.22
7532	Miami Sunset Adult Education Center	157,931.33	294,808.53	308,066.78	144,673.08	38,260.11	106,412.97	-	144,673.08
7702	South Dade Adult Education Center	133,050.48	317,908.14	380,434.79	70,523.83	22,422.64	48,101.19	-	70,523.83
Region I Schools									
5101	John I. Smith Elementary	50,643.34	674,080.86	680,551.22	44,172.98	2,214.57	41,958.41	-	44,172.98
7751	Barbara Goleman Senior	308,770.00	840,958.83	949,551.76	200,177.07	23,733.28	176,443.79	-	200,177.07

* Both locations report to same principal—reported as one school audit.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2009**

Work Location Number	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
Region IV Schools									
0201	Banyan Elementary	10,493.98	31,973.08	29,919.92	12,547.14	5,059.00	7,488.14	-	12,547.14
0671	Calusa Elementary	23,588.75	399,615.08	399,153.41	24,050.42	18,173.59	5,876.83	-	24,050.42
0861	Colonial Drive Elementary	13,950.39	13,676.86	23,649.61	3,977.64	3,119.04	858.60	-	3,977.64
5061	Dr. Carlos J. Finlay Elementary	19,536.03	53,130.60	56,050.73	16,615.90	2,166.27	14,449.63	-	16,615.90
2261	Greenglade Elementary	22,214.91	256,102.75	267,161.00	11,156.66	2,011.14	9,145.52	-	11,156.66
2331	Charles R. Hadley Elementary	73,622.02	438,870.26	481,425.63	31,066.65	3,283.36	27,783.29	-	31,066.65
2521	Oliver Hoover Elementary	28,636.13	320,736.57	328,245.67	21,127.03	2,621.28	18,505.75	-	21,127.03
2641	Kendale Elementary	27,140.41	224,678.08	241,702.64	10,115.85	1,079.98	9,035.87	-	10,115.85
2891	William Lehman Elementary	43,565.44	332,910.43	348,515.09	27,960.78	9,506.63	18,454.15	-	27,960.78
0831	Claude Pepper Elementary	34,520.68	268,147.62	278,916.29	23,752.01	1,799.12	21,952.89	-	23,752.01
4511	Dr. Gilbert L. Porter Elementary	23,107.93	372,062.49	370,736.69	24,433.73	10,713.00	13,720.73	-	24,433.73
4691	Jane S. Roberts K-8 Center	56,957.26	426,008.41	451,451.19	31,514.48	1,908.80	29,605.68	-	31,514.48
4721	Rockway Elementary	18,273.91	189,388.57	199,179.06	8,483.42	4,104.61	4,378.81	-	8,483.42
5421	Sunset Park Elementary	21,635.42	287,741.08	294,702.38	14,674.12	1,131.70	13,542.42	-	14,674.12
6021	Arvida Middle	81,198.89	216,884.66	221,632.77	76,450.78	23,430.85	53,019.93	-	76,450.78
6041	Paul W. Bell Middle	52,974.33	121,115.91	138,340.14	35,750.10	680.05	35,070.05	-	35,750.10
6121	Ruben Dario Middle	56,774.97	250,592.07	288,890.56	18,476.48	3,778.96	14,697.52	-	18,476.48
6131	Howard A. Doolin Middle	45,187.09	76,708.44	81,606.77	40,288.76	8,183.15	32,105.61	-	40,288.76
6052	Zelda Glazer Middle	-	85,305.09	69,650.39	15,654.70	15,654.70	-	-	15,654.70
7271	Miami Coral Park Senior	247,190.50	707,573.41	745,525.85	209,238.06	20,562.26	188,675.80	-	209,238.06
7361	Miami Killian Senior	368,283.52	1,074,467.89	1,258,588.98	184,162.43	3,896.42	180,266.01	-	184,162.43

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2009

Work Location Number	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments	Other	Total Cash and Investments
7531	Miami Sunset Senior	163,690.58	786,618.14	788,914.81	161,393.91	26,041.08	135,352.83	-	161,393.91
7741	Southwest Miami Senior	148,946.05	802,871.05	799,612.50	152,204.60	15,443.65	136,760.95	-	152,204.60
7781	Felix Varela Senior	274,917.33	823,354.94	903,535.97	194,736.30	35,459.44	159,276.86	-	194,736.30
Alternative Education Center									
8119	The 500 Role Models Academy	20,014.70	6,468.71	10,300.11	16,183.30	16,183.30	-	-	16,183.30
TOTAL		\$5,466,160.00	\$19,824,858.29	\$21,152,733.51	\$4,138,284.78	\$677,507.39	\$3,460,777.39	\$-	\$4,138,284.78

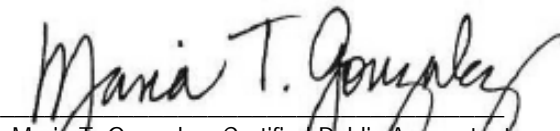
Audit Opinion on Financial Statements and Overall Assessment of Internal Controls Over Financial Reporting

Notwithstanding the conditions and findings reported herein, at 59 of the 61 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2008-2009 fiscal year, on the cash basis of accounting. At Myrtle Grove Elementary, except for the activity in the Community School Program Fund, as disclosed in the findings cited herein, 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 2008-09 fiscal year, on the cash basis of accounting. However, at Leisure City K-8 Center, those conditions which include the fabrication of internal funds records; the circumvention of controls over the receipting and depositing of funds; and the inadequacy of controls over student and fund-raising activities of the school as disclosed in the findings cited herein, do not allow us to express an opinion as to whether the financial statement of the internal funds of the school were fairly presented on the cash basis of accounting for the 2008-09 fiscal year.

As of June 30, 2009, for all 61 schools and centers reported herein, total combined receipts and disbursements amounted to \$19,824,858 and \$21,152,734 respectively; while total combined cash and investments amounted to \$4,138,285.

As of June 30, 2009, the internal control structure at 60 of the 61 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. The controls did not function as designed at Leisure City K-8 Center.

When conditions came to our attention that were deemed non-reportable, because they were immaterial and 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

Internal controls ratings of the schools and centers with reported audit findings are depicted as follows. These include the conditions found at Barbara Goleman and Felix Varela Senior high schools, for which the District provided a response:

SCHOOLS/ CENTERS/	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Region II Schools</u>							
Aventura Waterways K-8 Center		✓			✓		Likely to impact
Myrtle Grove Elementary		✓			✓		Likely to impact
Horace Mann Middle		✓			✓		Likely to impact
North Miami Senior		✓			✓		Likely to impact
<u>Region III Schools</u>							
Charles R. Drew Middle		✓			✓		Likely to impact
Miami Northwestern Senior		✓			✓		Likely to impact
<u>Region V Schools</u>							
Coral Reef Elementary		✓			✓		Likely to impact
Leisure City K-8 Center		✓			✓		Likely to impact
Miami Heights Elementary		✓			✓		Likely to impact
<u>Adult/Career Technical Education Center</u>							
North Miami Adult Education Center		✓			✓		Likely to impact
<u>District Finding</u>							
District Finding- No Full-Time SBT At Selected Sr. High Schools		✓			✓		Likely to impact

INTERNAL CONTROLS RATING

Internal controls ratings of the remaining schools/centers with no reported audit findings are depicted as follows:

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Region I Schools</u>							
John I. Smith Elementary	✓			✓			Not Likely to impact
Barbara Goleman Sr.*	✓			✓			Not Likely to impact
<u>Region IV Schools</u>							
Banyan Elementary	✓			✓			Not Likely to impact
Calusa Elementary	✓			✓			Not Likely to impact
Colonial Drive Elementary	✓			✓			Not Likely to impact
Dr. Carlos J. Finlay El.	✓			✓			Not Likely to impact
Greenglade Elementary	✓			✓			Not Likely to impact
Charles R. Hadley El.	✓			✓			Not Likely to impact
Oliver Hoover Elementary	✓			✓			Not Likely to impact
Kendale Elementary	✓			✓			Not Likely to impact
William Lehman Elementary	✓			✓			Not Likely to impact
Claude Pepper Elementary	✓			✓			Not Likely to impact
Dr. Gilbert L. Porter Elementary	✓			✓			Not Likely to impact
Jane S. Roberts K-8 Center	✓			✓			Not Likely to impact
Rockway Elementary	✓			✓			Not Likely to impact
Sunset Park Elementary	✓			✓			Not Likely to impact
Arvida Middle	✓			✓			Not Likely to impact

* Excludes the School Site IT function for which the District provided response.

INTERNAL CONTROLS RATING

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Paul W. Bell Middle	✓			✓			Not Likely to impact
Ruben Dario Middle	✓			✓			Not Likely to impact
Howard A. Doolin Middle	✓			✓			Not Likely to impact
Zelda Glazer Middle	✓			✓			Not Likely to impact
Miami Coral Park Senior	✓			✓			Not Likely to impact
Miami Killian Senior	✓			✓			Not Likely to impact
Miami Sunset Senior	✓			✓			Not Likely to impact
Southwest Miami Senior	✓			✓			Not Likely to impact
Felix Varela Senior*	✓			✓			Not Likely to impact
<u>Region V Schools</u>							
Bel-Aire Elementary	✓			✓			Not Likely to impact
Caribbean Elementary	✓			✓			Not Likely to impact
Dr. William A. Chapman El.	✓			✓			Not Likely to impact
Coconut Palm K-8 Center	✓			✓			Not Likely to impact
Cutler Ridge Elementary	✓			✓			Not Likely to impact
Florida City Elementary	✓			✓			Not Likely to impact
Howard Drive Elementary	✓			✓			Not Likely to impact
Mandarin Lakes K-8 Center	✓			✓			Not Likely to impact
Frank C. Martin K-8 Center	✓			✓			Not Likely to impact
Irving & Beatrice Peskoe El.	✓			✓			Not Likely to impact

* Excludes the School Site IT function for which the District provided response.

INTERNAL CONTROLS RATING

SCHOOLS/ CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Pine Lake Elementary	✓			✓			Not Likely to impact
Redondo Elementary	✓			✓			Not Likely to impact
West Homestead El.	✓			✓			Not Likely to impact
Campbell Drive Middle	✓			✓			Not Likely to impact
Centennial Middle	✓			✓			Not Likely to impact
Cutler Ridge Middle	✓			✓			Not Likely to impact
Palmetto Middle	✓			✓			Not Likely to impact
Southwood Middle	✓			✓			Not Likely to impact
Homestead Senior	✓			✓			Not Likely to impact
Miami Palmetto Senior	✓			✓			Not Likely to impact
Robert Morgan Ed. Center (Sr.High /Adult Ed. Center)	✓			✓			Not Likely to impact
South Dade Sr.	✓			✓			Not Likely to impact
<u>Adult/Career Technical Education Centers</u>							
Miami Sunset Ad. Ed. Center	✓			✓			Not Likely to impact
South Dade Adult Ed. Ctr.	✓			✓			Not Likely to impact
<u>Alternative Education Center</u>							
The 500 Role Models Academy	✓			✓			Not Likely to impact

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at schools with reported audit findings are as follows:

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
<u>Region II Schools</u>					
0231	Aventura Waterways K-8 Center	1	▪ FTE-SPED	N/A-First Year Audit	
3581	Myrtle Grove Elementary	1	▪ BSC/ASC Program	None	
6411	Horace Mann Middle	1	▪ School Site IT	None	
7591	North Miami Senior	6	▪ Types of Expenditures ▪ Fund 9 & EESAC ▪ Disbursements ▪ Year-end Balances ▪ FTE SPED ▪ FTE ELL	None	
<u>Region III Schools</u>					
6141	Charles R. Drew Middle	7	▪ Fin. Mgt./Deposits ▪ Activities ▪ BSC/ASC ▪ Payroll ▪ Title I Accounts ▪ CIS ▪ Reading Coach	7	▪ Fin. Mgt. ▪ Disbursements ▪ Fundraising ▪ Payroll ▪ Title I Payroll ▪ CIS ▪ Title I Disb.
7411	Miami Northwestern Senior	1	▪ Athletic Fund and Ticket Inventory	4	▪ Athl. Fund ▪ Prod. Shops ▪ Title I CIS ▪ Title I Disb.
<u>Region V Schools</u>					
1041	Coral Reef Elementary	1	▪ FTE-SPED	None	
2901	Leisure City K-8 Center	1	▪ Fabrication of Records	None	
3261	Miami Heights Elementary	1	▪ School Site IT	None	
<u>Adult/Career Technical Education Center</u>					
7592	North Miami Adult Ed. Center	1	▪ Missing Checks	1	▪ Fin. Mgt./Checks
<u>District Department</u>					
Information Technology Services		1	▪ School Site IT/SBT	None	
TOTAL		22		12	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at schools/centers with no reported audit findings are as follows:

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
<u>Region I Schools</u>					
5101	John I. Smith Elementary	None		2	<div><div>▪ Financial Records</div><div>▪ FTE-SPED</div></div>
7751	Barbara Goleman Senior	None		None	
<u>Region IV Schools</u>					
0201	Banyan Elementary	None		None	
0671	Calusa Elementary	None		None	
0861	Colonial Drive Elementary	None		None	
5061	Dr. Carlos J. Finlay Elementary	None		None	
2261	Greenglade Elementary	None		None	
2331	Charles R. Hadley Elementary	None		None	
2521	Oliver Hoover Elementary	None		None	
2641	Kendale Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
2891	William Lehman Elementary	None		1	▪ Fin. Records
0831	Claude Pepper Elementary	None		None	
4511	Dr. Gilbert L. Porter Elementary	None		None	
4691	Jane S. Roberts K-8 Center	None		None	
4721	Rockway Elementary	None		None	
5421	Sunset Park Elementary	None		None	
6021	Arvida Middle	None		None	
6041	Paul W. Bell Middle	None		None	
6121	Ruben Dario Middle	None		None	
6131	Howard A. Doolin Middle	None		None	
6052	Zelda Glazer Middle	None		None	
7271	Miami Coral Park Senior	None		None	
7361	Miami Killian Senior	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
7531	Miami Sunset Senior	None		None	
7741	Southwest Miami Senior	None		None	
7781	Felix Varela Senior	None		None	
<u>Region V Schools</u>					
0261	Bel-Aire Elementary	None		None	
0661	Caribbean Elementary	None		None	
0771	Dr. William A. Chapman Elementary	None		None	
3621	Coconut Palm K-8 Center	None		None	
1241	Cutler Ridge Elementary	None		None	
2001	Florida City Elementary	None		None	
2541	Howard Drive Elementary	None		None	
0073	Mandarin Lakes K-8 Center	None		None	
3101	Frank C. Martin K-8 Center	None		1	▪ Field Trips

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
4391	Irving & Beatrice Peskoe Elementary	None		None	
4441	Pine Lake Elementary	None		None	
4611	Redondo Elementary	None		None	
5791	West Homestead Elementary	None		None	
6061	Campbell Drive Middle	None		None	
6081	Centennial Middle	None		None	
6111	Cutler Ridge Middle	None		None	
6701	Palmetto Middle	None		None	
6861	Southwood Middle	None		None	
7151	Homestead Senior	None		2	<ul style="list-style-type: none"> ▪ Follow-up to P/Y Prenumbered Forms, Activities ▪ Payroll
7431	Miami Palmetto Senior	None		None	
7371/ 8911	Robert Morgan Education Center (Sr. High/Ad.Voc.)	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools/Centers	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
		Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
7701	South Dade Senior	None		1	▪ School Site IT
<u>Adult/Career Technical Education Centers</u>					
7532	Miami Sunset Adult Education Center	None		None	
7702	South Dade Adult Education Center	None		None	
<u>Alternative Education Center</u>					
8119	The 500 Role Models Academy	None		2	▪ Disbursements ▪ Fund 9
Total		None		9	

LIST OF SCHOOL PRINCIPALS

Listed below are the names of the former and current principals of schools with audit findings:

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
<u>Region II Schools</u>			
0231	Aventura Waterways K-8 Center	Mr. Luis A. Bello	N/A = New School-First Year Audit
3581	Myrtle Grove Elementary	Dr. Dianne W. Jones	N/A=No Change of Principal Since Prior Audit
6411	Horace Mann Middle	Ms. Carmen Jones-Carey	N/A=No Change of Principal Since Prior Audit
7591	North Miami Senior	Mr. Michael A. Lewis	N/A=No Change of Principal Since Prior Audit
<u>Region III Schools</u>			
6141	Charles R. Drew Middle	Dr. Henry N. Crawford	N/A=No Change of Principal Since Prior Audit
7411	Miami Northwestern Senior	Mr. Charles E. Hankerson	N/A-No Change of Principal Since Prior Audit
<u>Region V Schools</u>			
1041	Coral Reef Elementary	Dr. Fred M. Albion	N/A-No Change of Principal Since Prior Audit
2901	Leisure City K-8 Center	Dr. Kelli R. Hunter	N/A-No Change of Principal Since Prior Audit
3261	Miami Heights Elementary	Mr. John C. Lux	N/A-No Change of Principal Since Prior Audit
<u>Adult/Career Technical Education Center</u>			
7592	North Miami Adult Education	Jean C. Ridore	N/A = No Change of Principal Since Prior Audit

Name highlighted indicates Principal in charge of school during audit period under which findings were cited.

LIST OF SCHOOL PRINCIPALS

Listed below are the names of the former and current principals of schools/centers with no audit findings to report:

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
<u>Region I Schools</u>			
5101	John I. Smith Elementary	Ms. Gwendolyn C. Hines	N/A = No Change of Principal Since Prior Audit
7751	Barbara Goleman Senior	Mr. Carlos Artime	N/A = No Change of Principal Since Prior Audit
<u>Region IV Schools</u>			
0201	Banyan Elementary	Ms. Cheri A. Davis	Ms. Carolyn L. McCalla - Through Sept. '08; Principal at Eneida M. Hartner El.)
			Ms. Cheri A. Davis
0671	Calusa Elementary	Ms. Carmen B. Fuentes	N/A = No Change of Principal Since Prior Audit
0861	Colonial Drive Elementary	Mr. Henry Fernandez	N/A = No Change of Principal Since Prior Audit
5061	Dr. Carlos J. Finlay Elementary	Ms. Cecilia C. Sanchez	N/A = No Change of Principal Since Prior Audit
2261	Greenglade Elementary	Dr. Maria V. Tercilla	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
2521	Oliver Hoover Elementary	Ms. Neyda G. Navarro	N/A = No Change of Principal Since Prior Audit
2641	Kendale Elementary	Dr. Jeanethe P. Thompson	N/A = No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
2891	William Lehman Elementary	Ms. Maria C. Cruz	N/A = No Change of Principal Since Prior Audit
0831	Claude Pepper Elementary	Ms. Deborah Darbonne Roberts	N/A = No Change of Principal Since Prior Audit
4511	Dr. Gilbert L. Porter Elementary	Mr. Raul J. Gutierrez	N/A = No Change of Principal Since Prior Audit
4691	Jane S. Roberts K-8 Center	Ms. Ana C. Othon	N/A = No Change of Principal Since Prior Audit
4721	Rockway Elementary	Ms. Debbie F. Saumell	N/A = No Change of Principal Since Prior Audit
5421	Sunset Park Elementary	Ms. Sara N. Martin	N/A = No Change of Principal Since Prior Audit
6021	Arvida Middle	Ms. Nancy S. Aragon	N/A = No Change of Principal Since Prior Audit
6041	Paul W. Bell Middle	Ms. Ingrid G. Soto	N/A = No Change of Principal Since Prior Audit
6121	Ruben Dario Middle	Dr. Verona C. McCarthy	Ms. Barbara A. Mendizabal-Through Dec. '08; Administrative Director, Region V
			Dr. Verona McCarthy
6131	Howard A. Doolin Middle	Mr. Eduardo Tillet, Jr.	N/A = No Change of Principal Since Prior Audit
6052	Zelda Glazer Middle	Ms. Melba Brito	N/A = New School-First Year Audit
7271	Miami Coral Park Senior	Dr. Nicholas P. JacAngelo	N/A = No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
7361	Miami Killian Senior	Mr. Ricardo Rodriguez	N/A = No Change of Principal Since Prior Audit
7531	Miami Sunset Senior	Dr. Lucia Cox	N/A = No Change of Principal Since Prior Audit
7741	Southwest Miami Senior	Mr. James R. Haj	N/A = No Change of Principal Since Prior Audit
7781	Felix Varela Senior	Ms. Luz M. Navarro	N/A = No Change of Principal Since Prior Audit
<u>Region V Schools</u>			
0261	Bel-Aire Elementary	Dr. Columbus Willams, Jr.	N/A = No Change of Principal Since Prior Audit
0661	Caribbean Elementary	Ms. Christina L.. Guerra	N/A = No Change of Principal Since Prior Audit
0771	Dr. William A. Chapman Elementary	Mr. Carzell J. Morris	N/A = No Change of Principal Since Prior Audit
3621	Coconut Palm K-8 Center	Dr. Linda A. Amica-Roberts	N/A = New School-First Year Audit
1241	Cutler Ridge Elementary	Ms. Adrienne L. Wright-Mullings	N/A = No Change of Principal Since Prior Audit
2001	Florida City Elementary	Ms. Gloria M. Arazoza	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
0073	Mandarin Lakes K-8 Center	Ms. Angeles Fleites	N/A = New School-First Year Audit
3101	Frank C. Martin K-8 Center	Ms. Pamela F. Brown	N/A = No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
4391	Irving & Beatrice Peskoe Elementary	Ms. Maria P. Acosta	Ms. Lilia C. Albuerne- Through Jul. '08; Principal at Emerson El. ----- Ms. Maria P. Acosta
4441	Pine Lake Elementary	Mr. Caleb Lopez	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
5791	West Homestead Elementary	Ms. Prudence Mingo	N/A = No Change of Principal Since Prior Audit
6061	Campbell Drive Middle	Ms. Evonne S. Alvarez	N/A = No Change of Principal Since Prior Audit
6081	Centennial Middle	Ms. Yamila M. Carballo	N/A = No Change of Principal Since Prior Audit
6111	Cutler Ridge Middle	Mr. Eduardo L. Alonso	Mr. Thomas P. Ennis - Through Jul '08; Principal at Miami Springs Sr. ----- Mr. Eduardo L. Alonso
6701	Palmetto Middle	Ms. Lisa S. Noffo	N/A = No Change of Principal Since Prior Audit
6861	Southwood Middle	Ms. Deborah Leal	N/A = No Change of Principal Since Prior Audit
7151	Homestead Senior	Ms. Kerri A. Maysonet	N/A = No Change of Principal Since Prior Audit
7431	Miami Palmetto Senior	Mr. Howard I. Weiner	N/A = No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS

Work Location No.	Schools/Centers	Current Principal(s)	Former Principal(s)
7371/8911	Robert Morgan Education Center (Sr. High & Adult Ed.)	Mr. Gregory Zawyer	N/A = No Change of Principal Since Prior Audit
7701	South Dade Senior	Ms. Alicia Hidalgo	N/A = No Change of Principal Since Prior Audit
<u>Adult/Career Technical Education Centers</u>			
7532	Miami Sunset Adult Education Center	Mr. Edmund L. Plant, Jr. (Assistant Principal)	Dr. Dulce M. de Villa-Through December 2009; presently Principal at The English Center
7702	South Dade Adult Education Center	Ms. Nyce Daniel	Ms. Doris Granberry - Through February 2010; retired
<u>Alternative Education Center</u>			
8119	The 500 Role Models Academy Of Excellence	Mr. Samuel L. Johnson	N/A = No Change of Principal Since Prior Audit

Name highlighted indicates Principal in charge of school during audit period.

PROPERTY SCHEDULES

Property inventory results 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		
Region II Schools								
0231	Aventura Waterways K-8 Center§	278	640,358	None			None	
3581	Myrtle Grove Elementary	110	230,996	None			None	
6411	Horace Mann Middle	480	883,292	None			None	
7591	North Miami Senior	592	1,287,516	4	\$ 6,692	\$ 3,563	None	
Region III Schools								
6141	Charles R. Drew Middle◆	441	886,579	2	19,166	15,246	6	\$ 7,464
7411	Miami Northwestern Senior	738	1,783,609	None			None	
Region V Schools								
1041	Coral Reef Elementary	61	152,766	None			None	
2901	Leisure City K-8 Center	228	478,972	None			None	
3261	Miami Heights Elementary	118	316,261	None			None	
4651	Ethel F. Beckford/Richmond Elementary▼	101	232,800	None			None	
0261	Bel-Aire Elementary	108	275,790	None			None	
0661	Caribbean Elementary	185	434,947	None			None	
0771	Dr. William A. Chapman Elementary	230	379,095	None			None	
1241	Cutler Ridge Elementary	301	564,611	None			None	
2001	Florida City Elementary	222	426,987	None			None	
2151	Jack D. Gordon Elementary▼	137	379,664	None			None	
2541	Howard Drive Elementary	141	229,172	None			None	
0073	Mandarin Lakes K-8 Center§	197	618,443	None			None	
3101	Frank C. Martin K-8 Center	178	378,571	None			None	
3541	Robert Russa Moton Elementary◆	162	385,706	None			None	
3621	Coconut Palm K-8 Center§	152	528,420	None			None	
4381	Perrine Elementary▼	144	292,129	None			None	
4391	Irving & Beatrice Peskoe Elementary	82	222,721	None			None	
4441	Pine Lake Elementary	115	317,101	None			None	
4611	Redondo Elementary	110	257,113	None			None	
5791	West Homestead Elementary	180	346,032	None			None	
6061	Campbell Drive Middle	633	1,130,072	None			9	10,541
6081	Centennial Middle	360	673,458	None			None	
6111	Cutler Ridge Middle	162	419,355	None			None	

◆ Original cost of "unlocated" equipment items includes installation charges.

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		
6701	Palmetto Middle	313	584,995	None			None	
5003	South Dade Middle▼	354	813,109	None			None	
6861	Southwood Middle	351	805,412	None			None	
7101	Coral Reef Senior▼	1,172	2,718,371	None			None	
7151	Homestead Senior	645	1,595,228	None			None	
7431	Miami Palmetto Senior	536	1,174,020	None			None	
7371/8911	Robert Morgan Ed. Center (Sr. High/Adult Ed.)	1,389	4,065,339	None			None	
7701	South Dade Senior	883	2,745,815	None			None	
<u>Adult/Career Technical Education Centers</u>								
7592	North Miami Adult Education	49	101,400	None			None	
7532	Miami Sunset Adult Education Center	86	144,117	None			None	
7702	South Dade Adult Education Center*							
7742	Southwest Miami Adult Ed. Center▼	25	50,648	None			None	
<u>Region I Schools</u>								
5101	John I. Smith Elementary	144	358,874	None			None	
7751	Barbara Goleman Senior	819	1,758,945	None			None	
<u>Region IV Schools</u>								
0201	Banyan Elementary*							
0671	Calusa Elementary*							
0861	Colonial Drive Elementary*							
5061	Dr. Carlos J. Finlay Elementary*							
2261	Greenglade Elementary*							
2331	Charles R. Hadley Elementary	173	391,821	None			None	
2521	Oliver Hoover Elementary	147	351,045	None			None	
2641	Kendale Elementary*							
2701	Kenwood K-8 Center●	243	592,484	None			None	
2891	William Lehman Elementary	96	228,430	None			None	
0831	Claude Pepper Elementary	108	251,071	None			None	
4511	Dr. Gilbert L. Porter Elementary	137	321,054	None			None	
4721	Rockway Elementary	74	170,602	None			None	
4691	Jane S. Roberts K-8 Center*							
5421	Sunset Park Elementary*							
6021	Arvida Middle	210	523,242	None			None	
6041	Paul W. Bell Middle	382	817,376	None			None	

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		
6121	Ruben Dario Middle *							
6131	Howard A. Doolin Middle	268	655,317	None			None	
6052	Zelda Glazer Middle *							
7271	Miami Coral Park Senior	540	1,839,144	None			None	
7361	Miami Killian Senior	580	1,694,710	None			None	
7531	Miami Sunset Senior	577	1,362,050	6	9,313	2,255	None	
7741	Southwest Miami Senior	597	1,725,529	None			None	
7781	Felix Varela Senior	1,304	3,261,230	None			None	
<u>Alternative Education Center</u>								
8119	The 500 Role Models Academy Of Exc.*							
Total		19,148	\$ 46,253,914	12	\$35,171	\$ 21,064	15	\$ 18,005

Legend:

▼ School Audit results reported at Audit Committee in May 11, 2010 (6 schools).

◆ School Audit results not reported—to be reported next fiscal year (2 schools).

*Property inventory in progress. Results will be reported next fiscal year (12 schools).

§ New School-First Year Audit.

PROPERTY SCHEDULES

An analysis of Plant Security Reports is as follows:

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	
Region II Schools								
6411	Horace Mann Middle	1	1	\$ 1,038	\$ 1,038			\$ 277
7591	North Miami Senior	2	8	11,367	11,367			3,132
Region III Schools								
6141	Charles R. Drew Middle*	5	11	27,554	8,940	\$ 16,184	\$ 2,430	17,613
7411	Miami Northwestern Senior	1	1	1,225	1,225			307
Region IV Schools								
2521	Oliver Hoover Elementary	1	1	1,860	1,860			-
0831	Claude Pepper Elementary	2	3	3,146	3,146			1,227
4511	Dr. Gilbert L. Porter El.	1	1	4,125		4,125		-
7271	Miami Coral Park Senior	1	1	1,355	1,355			-
7361	Miami Killian Senior	1	1	1,178	1,178			-
7531	Miami Sunset Senior	1	1	1,869		1,869		1,194
7781	Felix Varela Senior	1	2	5,318	5,318			435
Region V Schools								
661	Caribbean Elementary	1	1	1,525	1,525			-
1241	Cutler Ridge Elementary	1	1	3,776		3,776		-
3541	Robert Russa Moton El.	1	1	1,342	1,342			-
4381	Perrine Elementary▼	2	2	2,537	1,499		1,038	-
5791	West Homestead El.	1	1	2,710			2,710	181
7101	Coral Reef Senior▼	1	2	3,892			3,892	672
7151	Homestead Senior	2	2	4,679	2,180		2,499	479
7371	Robert Morgan Ed. Center	1	1	3,129			3,129	2,555
7701	South Dade Senior	1	1	1,359	1,359			921
Adult/Career Technical Education Center								
7592	North Miami Adult Ed. Ctr.	1	1	1,799	1,799			-
TOTAL		29	44	\$ 86,783	\$ 45,131	\$ 25,954	\$ 15,698	\$ 28,993

Legend:

▼ School Audit results reported at Audit Committee in May 11, 2010 (2 schools).

* Losses were mostly due to break-ins. Administration provided response regarding corrective action on Appendix, page 119.

Note: Schools With No Plant Security Reports Are Excluded From This Schedule.

FINDINGS AND RECOMMENDATIONS

1. **Former Treasurer Fabricated Documentation To Circumvent Deposit Procedures, And Controls Over Bookkeeping And Fund-Raising Activities Were Inadequate** *Leisure City K-8 Center*

Section II, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that the Principal is ultimately responsible for monitoring and administering the revenue generated from Internal Fund activities. According to this chapter of the Manual, all money handled by and coming into direct custody of a school employee must be documented, at a minimum, in a Recap of Collection and submitted to the Treasurer for deposit. Also, individual collections of \$15 or more must be supported by official school board receipts. Chapter 3 delineates the procedures for preparing the deposit packages and the timelines for depositing funds. Last, Section IV, Chapter 2 provides the guidelines and requirements over fund-raising activities; and similarly establishes that the Principal is responsible for approving fundraising activities and overseeing that such activities comport with the guidelines set forth in the Manual and with applicable School Board Rules.

In July 2009, the former treasurer retired and the school hired a new treasurer. During the transitional period between treasurers, the school discovered discrepancies with the internal funds records and the monies deposited in the school's checking account. **As a result, the Principal requested an investigation and notified our office.**

Our review of the financial documents, history of transactions, and discussions with bank officials suggests a pattern where the former treasurer may have been using school funds for personal purposes and replacing them at later dates. The cumulative amount withheld during the eight-month period of November 2008 to June 2009 may have been as high as \$36,000. Although we were unable to establish that the former treasurer misappropriated school funds, because of inadequate controls over the receipting and the reconciliation of monies, we were able to determine that the former treasurer abused her position within the school to fabricate records and conceal that she was withholding school funds. She was also responsible for the checking account overdrafts and the resulting \$423 penalties assessed by the bank. The case was referred to the State Attorney's Office for its consideration.

During the 2008-09 fiscal year, the school collected \$115,834 from various activities. Sources of revenue included student and fund-raising activities, field trips, the sale of school pictures, and the collection of fees from the After School Care Program, among a few others. Our review disclosed the following discrepancies regarding the bookkeeping function of the school, the receipting process, and the overseeing of fund-raising and student activities:

- 1.1. After reviewing the Internal Funds' financial records for the period of July 1, 2008 to November 30, 2009; and upon consultation with bank officials, we determined that bank records consisting of monthly bank statements and validated deposit slips were falsified by the former treasurer to conceal that she was withholding monies from deposit. Specifically, we identified 23 deposits totaling \$28,124 dated between November 2008 and June 2009 whose validation stamp had been fabricated to misrepresent that they had been deposited in the bank on certain dates. Of the 23 deposits, 16 deposits totaling \$16,662 could not be readily traced to the bank. Of this total, \$14,193 was cash collections and \$2,469 consisted of several checks. Revenue sources included the sale of school pictures, After School Care Program fee collections, field trips and fund-raising activities.
- 1.2. The withholding of funds came to an end in June 2009, when the bank account was overdrawn. Authentic bank statements revealed that between May 27 and June 11, 2009, the checking account was overdrawn for as much as \$5,200. Total bank charges due to insufficient funds amounted to \$423.
- 1.3. We identified eight deposits totaling \$18,362 that were made late, mostly cash and mostly deposited during June and July 2009, which appear to have been made to correct the deficit and replace funds previously withheld. These included an additional \$1,700 that we could not trace to any source receipt.
- 1.4. We further reviewed the school activities associated with the deposit activity, and found that controls over the receipting of funds were inadequate, as receipts were not always issued when monies exchanged hands. Also, according to the school administration, some fund-raising activities may have been conducted without the knowledge or approval of the administration.

RECOMMENDATIONS

- 1.1. **The school administration should implement procedures to ensure that sealed bank statements and bank correspondence are submitted directly to the Principal for review before it is forwarded to clerical staff. In addition, the administration should implement a process for periodically reconciling the checking account and verifying checking account bank balances.**
- 1.2. **Ensure that staff is aware, understands and adheres to proper receipting procedures when monies come into custody of a school employee or when monies exchange hands.**
- 1.3. **Implement controls over the planning, approval, and execution of fund-raising and student activities, and maintain an up-to-date log of activities conducted at the school. Also, discuss proper fund-raising procedures with staff and enforce the preparation of student activity operating reports, and the review and filing of such reports.**

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

The Principal convened a meeting with the Assistant Principals, Treasurer, Secretary, Activities Director, Club Sponsors and After School Care Manager to review the audit findings. The Principal reviewed Section II, Chapter 2 and 3 and Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* and acquired signatures indicating receipt of documents. The Principal emphasized the section identifying proper procedures for monitoring account balances, maintaining current checkbook balance, timely postings and noting adjustments during the monthly reconciliation. The Principal directed the secretary responsible for receiving the U.S. Mail to submit the unopened Bank Statements immediately upon receipt. Bank Statements received in the U.S. Mail will be compared with on-line information to verify authenticity.

The Principal will monitor, view on-line banking and verify deposit slips weekly with the Assistant Principal and Treasurer. The Principal will monitor the checkbook balance on a weekly basis and will review the preparation of the monthly reconciliation to ensure receipt of cancelled checks and accurate timely postings. Any discrepancies will be addressed and corrected immediately.

The Principal met with the Treasurer and Assistant Principal to review the comprehensive system developed to monitor and approve all fundraising activities. The process includes submission of the Request for Fundraising Activity to the Assistant Principal for initial review prior to approval by the Principal. The request form is forwarded to the Treasurer to add to the Activities Log which indicates the beginning and end dates of the activity and the original is kept on file. A copy of the signed document is given to Club Sponsor indicating the initiating of the fundraiser.

The Assistant Principal will monitor on a weekly basis the funds submitted and the corresponding deposits. The Assistant Principal will randomly review the Recap of Collections forms for accuracy and completeness. At the conclusion of the fundraiser, the Club Sponsor will complete the Student Activity Operating Report within one week and submit to the Treasurer. The Assistant Principal will review all documents with the Treasurer prior to final approval by the Principal. The Principal will randomly monitor this process to ensure compliance and any discrepancies will be addressed and corrected immediately.

The Principal convened a meeting with all staff members that have assumed the responsibility of collecting monies, and attended a training facilitated by the school Treasurer and Assistant Principal in charge of activities. All attending sponsors are required to attend a four hour in service that will review the requirements for fundraising described in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* and *Club Sponsor Handbook* which provides the guidelines and requirements over fund-raising activities; and similarly establishes that the Principal is responsible for approving

fundraising activities and overseeing that such activities comport with the guidelines. Sponsors will attend a training developed by the Principal and Treasurer that provides a comprehensive overview of the Sponsor's/Activities Director's responsibilities. The procedures for Application for Fund Raising, Internal Funds Purchase Orders, Serialized forms and Student Operating Reports will be reviewed in detail. All sponsors will be informed that recaps and receipts must be completed by the sponsor receiving the funds from the students and informed of the importance of remitting monies at the end of the day. This meeting will be documented by an agenda and sign in sheet.

Person(s) Responsible:

Region V Administration

Management Response:

The Region V Business/Personnel Administrative Director will conduct a school-site visit to review documents to be presented to staff at the opening of school meeting as it relates to fundraising activities.

The principal has worked with the Region V Business/Personnel Administrative Director to develop a comprehensive system to monitor all areas of budgetary management.

The Region V Business/Personnel Administrative Director will conduct on-site quarterly mini-reviews of Fundraising Activities Log, student activity reports, and filing of such reports to ensure that record keeping procedures are intact, organized and dealt with in a timely manner.

Person(s) Responsible:

District/School Operations

Management Response:

- Copies of the approved picture/yearbook bids, fieldtrips and fundraising activities approved by the region will be submitted to District/School Operations and kept on file.
- Copies of the Fundraising Activities Log and Student Activity Reports will be forwarded to District/School Operations for review. Any discrepancies will be communicated to the respective region and immediately corrected.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Leisure City K-8 Center.

**2. Internal Funds Checks
Not Properly Safeguarded
On School Premises
*North Miami Adult Education Center***

According to Section V, Chapter 2 of the *Manual of Internal Fund Accounting*, all financial records associated with Internal Fund activities must be safeguarded and retained for audit.

During the prior audit, we had discovered that 30 internal funds checks corresponding to a bank account closed previously that year were missing. The school was not aware of the missing checks until our audit. As a result, we had recommended that school administration strengthen the safeguarding of the checkbook and any unused checks. However, before the start of this year's audit, the school reported and we verified that 36 checks from the school's internal funds checking account were missing from school premises.

According to the school, on March 2, 2010, during a routine review of the financial records, the treasurer discovered that 12 sheets containing three checks each were missing from the checkbook. It appears that the checkbook and unused checks were being stored in the Treasurer's office inside a file cabinet whose lock was not functioning properly previous to the incident.

Immediately upon discovery of the missing checks, the school contacted the bank to close the checking account, open a new account, and place a stop payment on the checks. Also, the school reported the incident to MDCPS Police and completed a Certificate of Loss. We verified with the bank that there have been no attempts to cash the missing checks.

RECOMMENDATION

- 2. We again recommend that the school administration strengthen the safeguarding of the checkbook and any unused checks in the custody of the school.**

Responsible Administrator:

Principal and Treasurer

Management Response:

On June 2, 2010, an AuditGard Series® safe was delivered to the school site to secure the checkbook and any unused checks in the custody of the school. The safe is configured with an audit feature to accommodate authorized multiple users who will each have a unique entry code for entry into the safe. This will ensure that, not only checks are secure, but entry into the safe will be monitored by the administration. Administration will keep a log of all codes and monitor entry on a monthly basis. The safe will be kept in the Treasurer's Office.

The Treasurer will continue to review and inventory unused checks on a monthly basis. The Vice-Principal or Principal will verify the inventory and a dated log of the findings will be maintained. The Treasurer and Vice-Principal will continue to review the cancelled checks on a monthly basis. The Principal will continue to verify cancelled checks upon signing the monthly reports.

Person(s) Responsible:

District/School Operations

Management Response:

- The principal has purchased a safe to secure the schools' checkbook and unused checks. The safe will be configured with an audit feature to monitor access by authorized personnel. The safe will be maintained in the treasurer's office.
- The treasurer will review and inventory unused checks on a monthly basis. The principal and school administrator will verify inventory and maintain a dated log. A copy of the log will be forward to the District/School Operations Administrative Director, Adult/Vocational and Community Schools to review, monitor and file.

**3. Inadequate Controls
Over Receipts And
Deposits
*Charles R. Drew Middle***

Section II, Chapter 3 of the *Manual of Internal Fund Accounting* and a memorandum from the Office of the Controller dated October 30, 2008 establish the procedures for depositing collections. According to the procedures, any collections awaiting deposit pickup at the schools must be properly safeguarded. Also, procedures require that deposits awaiting the armored car pickup service be logged in the Collections/Deposits Log [FM-7249].

According to the school, deposits awaiting the armored car pickup service were being safeguarded in a restricted area accessible only to the Principal and the Treasurer. However, there were two separate incidents which led to the loss/misappropriation of funds totaling \$1,961. Details are as follows:

- 3.1. On December 19, 2008, the former Assistant Principal contacted MDCPS Police to report that two money bags totaling \$1,135 were missing from the school's safe. Monies in question represented After School Care Program collections and proceeds from the sale of yearbooks. According to the former Treasurer, she was out of the office on the day of the incident and the key to the safe had been left in the custody of another employee. Of this total, \$857 was cash.
- 3.2. On January 25, 2010, the Principal reported to MDCPS Police that two deposit bags containing \$826 cash collections were stolen from a cabinet in the Treasurer's office. Monies corresponded to After School Care and Cafeteria collections. According to the current Treasurer, the bags were placed inside the cabinet on Friday, January 22, 2010 awaiting armored car pick up.

Because several individuals may have had access to the areas where monies were being stored, we were unable to identify the individual(s) responsible for the misappropriation of funds.

RECOMMENDATION

3.1. Strengthen the controls over the safeguarding of funds.

Person(s) responsible:

Principal and Treasurer

Management Response:

The Principal instructed the Treasurer to secure all daily deposits in the safe, which has been relocated to the school vault before leaving the office. Accessibility to the safe will be limited to the principal and treasurer. The Principal will verify the funds by reviewing

Collections/Deposits Log form and be notified at the time that daily deposits will be made.

Due to these two incidents and other discrepancies associated with the deposits, we extended our review of the 2008-09 fiscal year to December 2009. The following discrepancies were noted:

- 3.3. Our review of deposit documentation for the 2008-09 and 2009-10 fiscal years up to December 2009 disclosed instances where it appeared that collections were not timely remitted for deposit or not timely deposited. Some of these instances included funds held over the weekend. The school was not utilizing the Collection/Deposits Log form to record those deposits awaiting pickup from the armored car service at the school.
- 3.4. During the 2009-10 fiscal year up to December 2009, we also identified instances where the breakdown of cash/checks recorded on the official receipts did not agree with the associated Recaps of collections, MSAF deposit summaries, or bank deposit slips; however, totals agreed. In many of these instances, we identified that school staff was receipting money orders as cash.
- 3.5. Regarding bank deposit slips and bank documentation, we found instances during the 2009-10 fiscal year up to December 2009 where the bank confirmation was not included with the associated deposit package. In those instances, we were able to trace the deposit to the bank statements. We also found that the names of the check makers were not listed on the bank deposit slips. Instead, the school was listing the check numbers and money order numbers.

RECOMMENDATIONS

- 3.2. **Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.**
- 3.3. **Strengthen the review and oversight over the receipting and collection functions to ensure that monies are timely receipted, deposited and properly recorded.**
- 3.4. **Ensure that the Collections/Deposits Log [FM-7249] is utilized to document those deposit packages awaiting the armored car pickup service.**

Person(s) responsible:

Principal and Treasurer

Management Response:

The Principal met with the Treasurer and reviewed the procedures which require that reports awaiting the armored car pickup be logged on the Collections/Deposit Log form (FM-7249). To ensure the security of collections awaiting deposit, the principal will review the deposit packages and the form before placing in the school vault.

Management's Response from Region III and District/School Operations regarding recommendations 3.1 to 3.4:

Person(s) Responsible:

Region III Administration

The Region III Business/Personnel will monitor compliance of internal procedure compliance and secure funds awaiting pick-up in a safe accessible only to him and the treasurer. The Region III Business/Personnel Administrative Director will review monthly financial reports and conduct visits to verify.

Person(s) Responsible:

District/School Operations

- The Region will confirm with District/School Operations that the safe accessible to the principal has been repositioned to ensure safeguarding of funds.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

**4. School-Sponsored Activities
Non-Compliant
With Guidelines
*Charles R. Drew Middle***

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that school-sponsored fundraising activities must be accounted for in the school's internal funds. According to the guidelines, the school administration is responsible for ensuring that fundraising activities are conducted in accordance with internal funds' policies and procedures. Specifically, the guidelines require that monies collected and disbursed in connection with fundraising activities be processed through the internal funds of the school.

Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Also, the school must maintain a Fundraising Activities Log [FM-6672] to record all fundraising activities approved by the administration and conducted by the school. Fundraising merchandise given away as complimentary must be properly documented with signatures or appropriate documentation. Prenumbered tickets reflecting a dollar amount denomination must be used when an admission fee is imposed. Also, School Board Rule 6Gx13-1C-1.10 prohibits students or staff from soliciting funds from the public in the name of the school without the approval of the Principal and the Region Superintendent.

Our review of fundraising activities for the 2008-09 fiscal year and the 2009-10 fiscal year up to December 2009 disclosed the following discrepancies:

- 4.1. For both fiscal years, Applications for Fundraising Activity, Student Activity Operating reports, the Fundraising Activities Log, Field Trips Request Forms related to fundraising activities and Student Refund Sheets were either incomplete, not on file, or contained errors.
- 4.2. During the 2008-09 fiscal year, the school conducted a T-shirt sale associated with end of the year activities which was approved as a pre-sale activity; however, the T-shirts were delivered *prior to the collection of any funds*. Based on the number of T-shirts purchased and those on hand during our visit, the school should have collected \$5,760 in sales; however, we could only trace \$3,015 to club accounts, for a shortfall of \$2,745 in the revenues generated from this sale, or 183 shirts. According to school staff and administration, a portion of the unsold T-shirts was donated to a local organization; however, the donation was undocumented. In order to pay all expenses in full, school staff solicited monetary assistance from an outside entity, which paid \$1,818 directly to the vendor, bypassing the internal funds of the school.

Pursuant to Section IV, Chapter 4 of the *Manual*, the accounting for the sale of formal student portraits taken at traditional school-sponsored dances and banquets shall not be handled through the internal funds of the school, as these activities customarily transpire off-campus. The school is responsible for submitting request for proposals for photographic services, which should be evaluated by a Committee. All proposals and Committee Evaluation forms must be maintained on file.

- 4.3. A review of the 8th Grade Banquet disclosed that the picture activity which took place off-campus was processed through the internal funds of the school. The school collected \$2,278 from this activity. Request for Proposals were not on file, and the school did not receive any commission or access fee check related to this activity. According to the vendor, there was no agreement on file regarding the issuance of a commission or access fee.

This section of the *Manual* also prescribes the guidelines for picture activities such as those associated with Classes and Clubs, which should be accounted for through club accounts. However, we found that:

- 4.4. Fundraising picture activities associated with the yearbook activity were misposted to the General Fund-School Pictures account. Two separate picture activities generated \$1,407 in sales; however, we were unable to trace package prices or profit percentages to a bid on file. Our verification was based on invoiced amounts.

Section IV, Chapter 6 of the Manual provides the guidelines to conduct the sale of yearbooks. Our review disclosed that:

- 4.5. Yearbook's monthly operating reports and distribution reports contained errors or were incomplete. Official receipts, which were used in lieu of yearbook receipts to account for the sales were incomplete, used out of sequence, or the same receipt was used to account for more than one yearbook. In addition, we were unable to trace all charges on the invoice to the signed bid or any addenda to the bid. According to the sponsor, the school was properly invoiced for all services/merchandise received.

This was the first year that the sponsor had conducted this activity. As of the end of the audit fieldwork, there were no plans for a yearbook activity for the 2009-10 fiscal year.

RECOMMENDATIONS

- 4.1. **Discuss and reinforce with staff, parents, and the community, the procedures relative to fieldtrips, fundraising, and solicitation of funds, as well as accounting for these activities through the internal funds of the school.**

- 4.2. **Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports and Fundraising Activities Log.**
- 4.3. **Review the guidelines related to school pictures and yearbook activities with staff for awareness and understanding of the requirements; and strengthen review over these activities to ensure compliance with the requirements.**

Person(s) responsible:

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

Management Response:

The Principal met with the Treasurer, Assistant Principal/s and Activities Director to review audit findings and Section IV, Chapter 4 of the *Manual of Internal Fund Accounting* in order to ensure that the identified aspects of fiscal management are properly maintained and to utilize the Collections/Deposit Log form (FM-7249) to document deposit packages awaiting the armored car pickup service. The Principal will review bi-weekly all receipts and deposits documents to ensure they are completed properly and in a timely manner.

The Principal met with yearbook sponsor to review the guidelines related to school pictures and yearbook activities as they relate to Section IV, Chapter 4 of the *Manual of Internal Fund Accounting*. The Principal reviewed with the faculty and staff, School Board Rule 6Gx13-1C-1.10 which prohibits students or staff from soliciting funds from the public in the name of the school without the approval of the Principal and the Region Superintendent. The Principal has scheduled to meet with the Yearbook Sponsor, Treasurer and Assistant Principal monthly to ascertain the financial status of the yearbook fundraising activities, the yearbook sales campaign. The Principal will review all bid documentation required for school pictures, yearbook and addenda to a bid, including but not limited to, the student Activity Operating Reports and any complimentary lists.

Person(s) Responsible:

Region III Administration

Management Response:

The Principal will submit to the Region III Business/Personnel Administrative Director picture/yearbook bids, all fieldtrips and fundraising activities for review and approval.

Person(s) Responsible:

District/School Operations

Management Response:

- Copies of the approved picture/yearbook bids, fieldtrips and fundraising activities approved by the region will be submitted to District/School Operations and kept on file.
- Copies of the Fundraising Activities Log and Student Activity Reports will be forwarded to District/School Operations for review. Any discrepancies will be communicated to the respective region and immediately corrected.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

**5. Types of Expenditures Made
And Transfers of Funds
Between Accounts Not
Compliant With
Internal Funds
Policy
*North Miami Senior High School***

Section III, Chapter 3 of the *Manual of Internal Fund Accounting* establishes the guidelines for expending funds of those Classes and Clubs accounts which have become inactive. According to the guidelines, a dormant or inactive account is one for which no activity has transpired during two consecutive fiscal years. In such cases, devoid of any instructions from the officers of the club as to the future use of the funds, leftover funds will be considered as belonging to the General Fund-Miscellaneous account and shall be transferred to this account accordingly. In the event that leftover balances equal or exceed \$1,000, prior written approval from the Region Superintendent and the Internal Fund Accounting Section Supervisor shall be required prior to effecting any transfers.

Regarding donations, Section IV, Chapter 14 of the *Manual* requires that donations not designated for a specific purpose be posted to a General Fund-Donations account in the Internal Funds of the school. Otherwise, donations earmarked for specific purpose(s) should be posted to a Trust Fund account and accompanied by a letter specifying the intent of the donation.

Our review of the school's Classes and Clubs accounts disclosed the following discrepancies:

- 5.1. During the course of the 2008-09 fiscal year, the school posted in the Classes and Clubs-Jets account expenses totaling \$4,653. According to the Treasurer, the Jets Club was sponsored by the school's dance team, and the account was inactive during the 2008-09 fiscal year. Records provided did not include any written authorization from the club officers to use the funds in the observed manner. Purchases were mostly food and hospitality-related; however, not all invoices were on file. One of the charges consisted of a \$700 partial payment for fundraising merchandise associated with another club. We reviewed the fundraiser and associated club account, and found that the activity had a revenue shortfall of almost \$900 due in part to uncollected student obligations.

At the closing of the 2008-09 fiscal year, the Jets account had a remaining balance of \$1,275. Our review of this account into the 2009-2010 fiscal year disclosed that \$1,149 was used to cover a portion of the Cheerleader's uniform expenses. As of March 2010, the account's balance was only \$126.

- 5.2. Our review of selected Classes and Club and Trust Fund accounts revealed a few other instances where funds totaling almost \$3,000 had been transferred from inactive Club accounts to active Club accounts or paid from Trust Fund accounts without written authorization.

Section III, Chapter 8 of the *Manual of Internal Fund Accounting* prohibits the use of the General Fund to pay for hospitality items such as meals for meetings and special observances, and items for specific group of students.

- 5.3. During the 2008-09 fiscal year, expenditures totaling \$2,898 related to food and beverage, hospitality items and items for graduation-related expenditures were inappropriately charged to the General Fund-Miscellaneous account.

RECOMMENDATIONS

- 5.1. **Discuss the procedures with staff for understanding and awareness of the requirements.**
- 5.2. **Prior to authorizing a disbursement, ensure that it is appropriate under the sponsoring account's guidelines and restrictions.**
- 5.3. **Review any inactive accounts to determine the future use of the funds, and obtain proper approvals prior to spending or transferring the funds to other accounts or to the Internal Funds-General Fund of the school.**
- 5.4. **Ensure that donations earmarked for specific purposes are properly documented and spent as intended by the donor.**

Person(s) Responsible: Principal, Administrative Team and Treasurer

Management Response:

The Principal met with the Administrative Team, School Treasurer and reviewed Section III, Chapter 3 of the *Manual of Internal Fund Accounting* which establishes the guidelines for expending funds of Class and Club accounts, outlines procedures to follow prior to spending or transferring funds in inactive accounts and describes proper documentation and expenditures of donations.

The Principal, Vice-Principal, and School Treasurer have identified all active and inactive accounts, met with Class and Club Sponsors who manage said accounts, and established a set of procedure to ensure that all expenditures are appropriate under each sponsoring accounts' guidelines and restrictions prior to further processing. These procedures included strict adherence to policies regarding inactive accounts, transferring funds from one account to another, donation procedures and disbursements of funds.

In order to ensure that all expenditures are appropriate under each sponsoring accounts' guidelines and restrictions they will be reviewed, by Class and Club Sponsors, the School Treasurer, the Vice-Principal and finally the Principal before processing.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all types of expenditures made and transfers of Funds between accounts are compliant with Internal Funds Policies.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 3; Section IV, Chapter 14; and Section III, Chapter 8 of the *Manual of Internal Fund Accounting* and develop a systematic written plan to follow regarding monitoring types of expenditures made and transfers of funds between accounts. This plan should specifically include procedures to follow regarding expending funds for inactive accounts, donations designated for a specific purpose, transfer of funds from one account to another and the restrictions of the General Fund Account. A copy of the plan will be maintained on file at the Region.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

Person(s) Responsible:

District/School Operations

Management Response:

- The Region Center will submit to District/School Operations a copy of the developed systematic plan regarding monitoring types of expenditures made and transfers of funds between accounts.
- Refer to page 141 of Appendix for District/School Operations' comprehensive response to the school findings of North Miami Senior High School.

**6. Expenditures Processed Through
The Instructional Materials And
Supplies (Fund 9) Account
Not Compliant With
Fund 9 Guidelines
*North Miami Senior High School***

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* delineates the procedures for processing disbursements using the Instructional Material and Supplies (Fund 9) account. The procedures include a list of expenditures *not allowed* to be charged to this account, which includes, among others: *out-of-state travel and out-of-county field trip expenditures of students and staff, hospitality items, food purchases for faculty or other hospitality meetings and special observances, incentives, repair maintenance agreements of \$500 or more per year, exterminating services of common areas, and items for student club sponsored activities not associated with the curriculum and instruction of the school.*

Regarding internal funds disbursements made by the school on behalf of the Educational Excellence School Advisory Council (EESAC) Committee, an October 3, 2008 memorandum from the Office of the Controller establishes that, at the beginning of the year, the school's EESAC Committee may elect to utilize the Fund 9 mechanism to transfer up to \$2,999 from their district account to an Internal Funds Trust Fund account to subsidize small purchases related to student incentives, as determined by the Committee, *which are not allowed to be processed through Fund 9.* The transfer requires that Committee's approval and explanation for the use of the funds be documented in the Committee meeting minutes, which must be made part of the disbursement documentation.

- 6.1. Our review of Fund 9 disbursements corresponding to the 2008-09 fiscal year disclosed that the school processed a total of \$10,165 in expenditures approved by the EESAC Committee through the Fund 9 account. These included \$6,626 in out-of-state student travel, out of county fieldtrip and related expenditures, and \$3,538 in hospitality and food related expenditures for students and staff.

We extended our review of the Fund 9 account to the 2009-10 fiscal year up to April 2010, and found that the school had similarly processed some expenditures consisting of food purchases, a video gaming suite for students, and athletic-related expenditures. The EESAC Committee had approved the purchase of a gaming suite.

- 6.2. Other expenditures processed through the Fund 9 account not allowed under the guidelines included: \$800 for exterminating services of common areas of the school during the 2008-09 fiscal year (payment for exterminating services is limited to Family and Consumer Science classroom areas); and a copier service agreement which exceeded the \$500 per year threshold during the 2009-10 fiscal year.

RECOMMENDATIONS:

- 6.1. Review the Fund 9 guidelines with staff for awareness and understanding of purchases allowed through Fund 9, and refrain from making any purchases not allowed through the Fund 9 account.**
- 6.2. Discuss with the EESAC Committee the types of purchases allowed to be made through the Internal Funds of the school.**
- 6.3. Any financial decisions related to out-of-county/out of state travel of students must be planned with the EESAC Committee in advance to ensure that the proper procurement channels are utilized.**
- 6.4. Transfer to a Trust Fund account the amount of EESAC funds approved by the EESAC Committee to cover any purchases related to student hospitality and incentives.**

Person(s) Responsible:

**Principal, Administrative Team,
EESAC Committee and Treasurer**

Management Response:

The Principal met with the Administrative Team, School Treasurer and reviewed the *Resource Guide for Effective EESAC Implementation Manual* and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using the Instructional Material and Supplies (Fund 9) Account.

The Principal and Assistant Principal met with the School Treasurer to establish and implement a set of procedures to follow ensuring that all expenditures are appropriate under Fund 9 guidelines prior to further processing.

The Principal and School Treasurer will provide training to the EESAC Committee on the newly implemented procedures with specific attention paid to the types of purchases allowed to be made through the Internal Funds of the school.

The Principal, EESAC Chair, and Treasurer will establish and implement a protocol for EESAC funds transferred to a Trust Fund Account in compliance with the *Resource Guide for Effective EESAC Implementation Manual*. The Principal will also implement a protocol for expending EESAC funds for out-of-county/out-of-state travel of students in advance to ensure that the proper procurement channels are utilized. All EESAC expenditures will be reviewed by the Principal and EESAC Chair at the required monthly EESAC Meeting.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all types of expenditures processed through the Instructional Materials and Supplies (FUND 9) Account are compliant with Fund 9 guidelines.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 9 of the *Manual of Internal Fund Accounting* pertaining to Fund 9 guidelines to develop and submit to the Region a checklist to follow regarding procedures for processing disbursements for the Fund 9 Account.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

Person(s) Responsible:

District/School Operations

Management Response:

- Copies of the quarterly region mini-reviews will be submitted to District/School Operations for review. Any anomalies will be discussed with the region director and corrections will be made immediately.
- Refer to page 141 of Appendix for District/School Operations' comprehensive response to the school findings of North Miami Senior High School.

**7. Disbursement Function
Not Compliant With
Disbursement Guidelines
*North Miami Senior High School***

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the policies and procedures for making and documenting disbursements. According to these guidelines, all internal funds disbursements must be made via check, and no disbursement is to be made from cash collections. Except for instances essential to the curriculum and instruction of the school, advanced payments in full to commercial vendors who require advanced payment for services procured is not permitted.

Pursuant to the implementation of the District's Wellness Policy, Healthy Beverage and Food Guidelines for food sales conducted at school campuses before, during and one hour after school restrict food items to no more than 35% of total calories from fat; and no more than 35% added sugar by weight. In support of the District's Wellness Policy, the Cooperative Sales Program, which is a collaborative partnership between the Athletics and Activities Departments and the School Food Service Program, was implemented at the senior high schools in July 2008. The intent was to facilitate the procurement of healthy food items through the school cafeteria, which school clubs can also sell during the day for fund-raising purposes.

Regarding documentation, all disbursements must be supported by original vendor invoices, and payments to vendors must be made within 30 days of satisfactory receipt of goods/services *unless special arrangements have been made with the vendor in writing*. Furthermore, Section V, Chapter II requires that all financial records associated with Internal Funds activities be safeguarded and retained for audit purposes.

As a result of discrepancies identified during our review of accounts and activities, we extended our review of disbursements to the 2009-10 fiscal up to April 2010. Our review disclosed the following:

- 7.1. The Activities Department conducted a fundraiser during the 2009-10 fiscal year where the sponsor paid the vendor directly from cash sales. Between the months of December 2009 and April 2010, the department made 31 separate purchases of doughnuts totaling \$6,447 from a local vendor. The first three purchases were paid via school checks; however, the remaining 28 purchases totaling almost \$5,900 were paid from the cash sales.

Pursuant to the healthy food guidelines, doughnuts should not be sold at the schools since they do not meet the District's healthy food guidelines. According to the Application for Fund-raising, the purpose of the doughnut sale was to assist with the needs of the Activities Department.

- 7.2. In May 2009, the school purchased from the bank a cashier's check for \$20,500 to pay the hosting venue of the Senior Prom. According to the school, slow ticket sales caused the school to miss the deadline for the final payment, which

according to the contract from the hosting venue should have taken place *72 hours before the event*. The purchase of a cashier's check, especially for this significant amount, weakens controls over the disbursement function, since the funds are being released to a third party not directly associated with the vendor providing the goods/services.

- 7.3. Our review of the associated disbursements for the audit period up to April 2010 disclosed instances where payments to vendors totaling \$17,698 were remitted between two weeks and ten months late. Of these instances, four invoices totaling \$720 for monthly copier maintenance charges had not been paid as of the date of the audit fieldwork. These invoices were dated between November 2009 and March 2010.
- 7.4. We found some instances where original invoices were not presented for audit or something other than an original invoice was presented for audit. We were able to obtain some of these invoices directly from the vendor.
- 7.5. Check requisitions were not always properly completed, in that they were either missing the account information or the description of the goods/services ordered. We also found instances where invoices did not have the required acknowledgement of receipt of goods.

RECOMMENDATIONS

- 7.1. **Discuss with the Activities Department, Club sponsors and staff that no disbursement is to be made from cash collections; and discourage the purchase of cashier's checks to pay vendors.**
- 7.2. **Immediately discontinue any fundraiser or school/student activity where expenses are being paid from cash collections, or where the vendor requires advanced payment in full.**
- 7.3. **In the case of the doughnut sale, discontinue the activity, as it does not comply with the District Wellness policy.**
- 7.4. **Strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.**
- 7.5. **Strengthen controls over the disbursement function to ensure that disbursements are made according to the timelines, and that the supporting documentation is complete, appropriate, and filed.**

Person(s) Responsible:

**Principal, Administrative Team,
Activities Director and Treasurer**

Management Response:

The Principal met with the Administrative Team, School Treasurer and Activities Director and reviewed the *District's Wellness Policy* regarding sales of healthy food items, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establishing policies and procedures for making and documenting disbursements and Section V, Chapter II which requires that all financial records be retained for audit purposes.

The Principal, and Vice-Principal, met with the Activities Director and School Treasurer to establish the fact that future use of cash collections or cashier's checks to pay vendors is strictly prohibited. This also prohibits continuing any fundraiser or school activity being paid from cash collections where a vendor requires payment in full.

A cease and desist order was immediately issued by the Principal to all Coaches, Class and Club Sponsors for food product sales that do not comport with the *District's Wellness Policy*.

The Principal met with the Vice-Principal and School Treasurer to establish a set of procedures regarding the disbursement function to ensure that disbursements are made according to the timelines and supporting documentation is complete, appropriate and filed.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all the disbursement functions are compliant with disbursement guidelines according to the *Manual of Internal Fund Accounting*.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section 11, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* to develop and submit to the Region a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for ensuring that disbursements are made via check vs. cash, ensuring the District's Wellness Policy, Healthy Beverage and Food Guidelines are being followed, disbursements are supported by assigned vendor invoices and that payments made to vendors are made in a timely manner.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.

- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

Person(s) Responsible:

District/School Operations

Management Response:

- The Region Center will submit to District/School Operations and keep on file a copy of the established systematic plan developed regarding disbursements, and deficit balances.
- Refer to page 141 of Appendix for District/School Operations' comprehensive response to the school findings of North Miami Senior High School.

**8. Inadequate Controls over Athletic Fund
Balance and Athletic Ticket Inventory
*Miami Northwestern Senior High School***

Pursuant to Section III Chapter 1 of the *Manual of Internal Fund Accounting*, Athletic Fund balances must be monitored throughout the year to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available balance. The guidelines also provide that the school must not end the fiscal year with a negative overall balance in the Athletic Fund.

- 8.1. The prior year's audit report cited the school for allowing the Athletic Fund to close the year with a deficit balance. For the 2008-09 fiscal year, although the deficit balance had decreased, as of June 30, 2009, the Athletic Fund closed the year with a deficit balance of \$(1,773). Prior to the closing of the 2008-09 fiscal year, the school had sufficient funds in the General Fund to cover this deficit.

For the 2009-10 fiscal year, our review of account balances disclosed that as of June 7, 2010, the Athletic Fund disclosed a positive balance of approximately \$18,000.

According to Section III, Chapter 1 of the *Manual of Internal Fund Accounting*, all revenues from ticket sales corresponding to school athletic games must be accounted for through the school's Internal Fund. The *Interscholastic Athletic Manual* establishes the procedures to account for the athletic admission tickets, and to document via game reports the income and expenses associated with these athletic games. According to the procedures, an inventory of tickets must be conducted at year-end and a game report must be completed for every athletic game.

During the summer, before the start of the new school year, we verify the athletic ticket inventory, game reports, and monies posted in the system and deposited in the checking account, to ensure that revenues raised from the sale of athletic tickets have been deposited in the accounts.

- 8.2. Our verification of the ticket inventory and subsidiary records disclosed that 2,350 tickets of \$6 denomination with a sales value of \$14,100 could not be accounted for. The loss represented 8% of total ticket sales.

The inventory report provided by the school for our verification had overstated \$10 denomination tickets by 1,000 tickets. We made the appropriate correction.

RECOMMENDATIONS

- 8.1. Frequently monitor Athletic Fund balances and make transfers of funds as needed and as allowed by the Internal Fund guidelines to prevent deficit balances.
- 8.2. Review with staff the procedures for the sale of athletic tickets and strengthen the procedures to safeguard athletic activity records and preparation of athletic inventory and reconciliation of ticket sales.
- 8.3. Periodically meet with the Athletic Business Manager and the Treasurer to discuss and review the Athletic Fund activity, the game reports and the associated deposits.

Person(s) responsible:

Principal, Athletic Director,
Athletic Business Manager
And Treasurer

Management Response:

The principal thoroughly discussed the audit findings pertaining to Inadequate Controls over Athletic Fund and Balance and Athletic Ticket Inventory with the Assistant Principal, Athletic Business Manager, Treasurer and Athletic Director. Additionally, Section III Chapter 1 of the *Manual of Internal Accounting* pertaining to athletic program expenditures was reviewed.

The Principal established procedures to have the activity record report completed, receipts from athletic ticket sales reconciled and inventory of tickets verified at the conclusion of each event. These established procedures were distributed to the Athletic Business Manager, Treasurer and Assistant Principals.

The Principal will monitor these reports on a bi-weekly basis with the Treasurer and the Athletic Business Manager to ensure accountability and reliability of the reconciliation reported from athletic events. Any anomalies will be corrected immediately.

All unused athletic tickets will be kept by the Athletic Business Manager who will maintain an inventory for review monthly by the Principal and Treasurer. The end of year inventory report will be presented, with the tickets for review and secured for the beginning of the following school year.

The Principal, Treasurer, Assistant Principal, Athletic Director and Athletic Business Manager will reconcile ticket sales and revenues as indicated on the game reports and the associated deposits to ensure accuracy on the next business day for all games with ticket sales exceeding one thousand dollars.

The Principal will review all ticket orders for authenticity and guideline protocols as outlined in the *Manual of Internal Funds Accounting*. The Principal will meet with all coaches and club sponsors regarding policies and procedures for the utilization of

tickets for events. Additionally, the monthly monitoring of funds in respective accounts was reviewed to ensure positive account balances by year's end. Fund transfers processed as appropriate and allowable

Person(s) Responsible:

Region III Administration

Management Response:

The Principal will submit to the Region III Business/Personnel Administrative Director the Athletic Activity Reports and Athletic Ticket Inventory at the conclusion of each athletic season for review.

The affected principals will participate in the District's mandatory Money Matters Support Program, effective immediately. Additionally, the affected principals will be required to address specific fiscal management job targets on their Performance Planning and Assessment System Planning Form and provide evidence of progress in the areas identified.

Person(s) Responsible:

District/School Operations

Management Response:

- Copies of the Athletic Activity Reports and Athletic Ticket Inventory will be submitted to District/School Operations at the end of each athletic season for review. Any anomalies will be duly noted and communicated to the region for immediate action.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Miami Northwestern Senior High School.

**9. Inappropriate Monitoring of Internal Funds Account Balances Resulted in Year-End Deficits
*North Miami Senior High School***

Section III, Chapter 4 of the *Manual of Internal Fund Accounting* strictly prohibits Trust Fund accounts from closing the year with deficit balances. According to Section III, Chapter 8 of the *Manual*, General Fund revenues may be used to cover expenditures associated with athletic activities, as long as students participating in the event or competition *will do so in representation of the school and not for individual or personal recognition*. Our review of the Trust-District Athletics account disclosed the following:

- 9.1. During the 2008-09 fiscal year, the school incurred approximately \$60,000 in student transportation expenses associated with students participating in sporting practices/events, since the school's new playing field was still under construction. The District provided monetary assistance and the school was being reimbursed for transportation expenditures; however, not all reimbursements were received in time for the closing of the year, and the account closed the 2008-09 fiscal year with a deficit balance of \$(20,950). This large deficit caused the Trust Fund to close the year with an overall deficit balance of (\$2,311). We noted that, before the closing of the year, the Internal Funds-General Fund had sufficient funds to cover the account deficit in full and prevent a Trust Fund deficit.

The field has become operational during the 2009-10 fiscal year. Although the school continued to be reimbursed for some of the transportation costs until the field became operational, at the end of May 2010 the account disclosed a \$(3,020) deficit balance.

RECOMMENDATIONS:

- 9.1. **Ensure that accounts have available funds before authorizing expenditures.**
- 9.2. **Monitor Trust Fund account balances periodically to prevent deficit balances, and make transfers of funds as needed and as allowed by the guidelines to eliminate/prevent any deficits.**

Person(s) Responsible: Principal, Administrative Team and Treasurer

Management Response:

The Principal met with the administrative team, School Treasurer and reviewed Section III, Chapter 4 of the *Manual of Internal Fund Accounting* which strictly prohibits Trust Fund Accounts from closing the year with deficits balances.

The Principal, Vice-Principal, and School Treasurer have identified all Trust Fund Accounts, and reviewed all past, current, and forecasted expenditures in order to assure strict adherence to the requirements set forth in Section III, Chapter 4 of the *Manual of Internal Fund Accounting*.

The Principal, Vice-principal and School Treasurer established and implemented a set of procedures whereby all future disbursements from Trust Accounts are scrutinized by the School Treasurer, Vice-Principal, and finally the Principal, in that order, to ensure that all expenditures are appropriate under each sponsoring Trust Accounts prior to further processing.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that General Fund revenues are used to cover negative expenditures associated with athletic activities and that all Trust Funds accounts end the year with a positive balance.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 4 of the *Manual of Internal Fund Accounting* pertaining to Trust Funds Accounts closing the year with deficit balances and develop a written plan to prevent deficit balances at the end of the fiscal year. A copy of the plan will be maintained on file at the Region.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

Person(s) Responsible:

District/School Operations

Management Response:

- The Region Center will submit to District/School Operations and keep on file a copy of the established systematic plan developed regarding disbursements, and deficit balances.
- Refer to page 141 of Appendix for District/School Operations' comprehensive response to the school findings of North Miami Senior High School.

**10. Before/After School Care Program
Not Properly Managed
And Payment And
Attendance Records
Were Inadequate
*Myrtle Grove Elementary***

Section II, Chapter 2 of the *Manual of Internal Fund Accounting* establishes the procedures over the collection of money at the schools; and the *Community School Procedures Manual* provides the procedural guidelines over the management and recordkeeping of Community School and Before/After School Care Program records. Pursuant to established procedures, money collected by school employees, regardless of the amount, must be submitted to the school treasurer, or back-up designee, on the same day collected and must be properly receipted on official receipts. Regarding Before and After School Care Programs, all money collected for services rendered must be recorded on the Parent Fee and Payment Record [FM-3170] and forms must be maintained on file as part of the official documents of the program. Also, properly completed student attendance rosters must be maintained on file as part of the documentation for the program.

At this school, a principal-operated Before/After School Care Program which started in the 2008-09 fiscal year generated total revenues of approximately \$70,000 during its first year of operations. Because our initial review of the records disclosed various discrepancies, we extended our review of the program to February 2010. For the 2009-10 fiscal year up to February 2010, program revenues amounted to approximately \$37,000.

Our review of the Before/After School Care Program records disclosed that the former Program Manager did not follow proper and systematic procedures for recording student payments, and did not enforce the collection of fees for services rendered, which resulted in payment records that were incomplete and/or that contained errors. In addition, our review of student attendance rosters and subsidiary records disclosed that students were allowed to attend the program although payment for services rendered was not being received.

Most payments received were in the form of cash. During our review of 2008-09 fiscal year collections, we also identified instances throughout the year where program funds were not being deposited on a timely basis. Nevertheless, during our review of program records and deposit packages, and from our inquiries with staff and school administration, nothing came to our attention to indicate that monies received had not been deposited in the bank.

Recordkeeping discrepancies are as follows:

- 10.1. During the 2008-09 and 2009-10 fiscal years through February 2010, the former Program Manager utilized a composition notebook to initially record payments received. According to staff, the payment information would later be transferred to the official student payment record. This process, however, was not systematically followed, as we found instances where payments made were not recorded in the student payment records.
- 10.2. Sampled student registration cards disclosed instances where payment information such as amount paid, service period, and receipt number was not indicated in the card, the card was not signed by the program manager; or a combination thereof. Also, we were unable to locate registration cards for some of the students in our sample and these records were re-created by the school during the audit.
- 10.3. In addition to Before and After School Care services, the school offered Story Hour and Full-Day Care. For both fiscal years, it appears that children were allowed to attend the programs without paying for the services. We compared student attendance rosters against sign-out logs maintained by the school to document when parents picked up their children from the program at the end of the day. Our comparison disclosed instances where a student's name and parent/guardian's signature were noted on the sign-out logs; however, the student's name was not listed in the attendance rosters and his/her daily attendance was not documented. Furthermore, the attendance rosters for the full-day care program offered in 2008-09 fiscal year and summer camp for the 2009-10 fiscal year had not been maintained. Instead, sign-out sheets were used to record attendance. Aside from the fact that monthly attendance rosters did not list all students in attendance, the rosters were not properly completed in that the total monthly attendance was not summarized and totaled.
- 10.4. Based on a list provided by the school representing those students who owed monies for services rendered and our review of available records, we calculated that outstanding fee payments for the 2008-09 fiscal year may have amounted to as much as \$11,000. As of the last day of our audit fieldwork, fees owed for the 2009-10 fiscal year were approximately \$5,000. Collection efforts were still underway for both fiscal years.
- 10.5. Our sample of official receipts issued to parents/guardians for payments received disclosed that pertinent information was missing, altered, or erased. Information in question consisted of dates, payer's proper name, student's name, service period, type of service provided, or a combination thereof. As a result, some of the collections could not be traced to any student's payment record. However, these funds were deposited in school's checking account and posted to the system. Most related errors/omissions corresponded to the 2008-09 fiscal year.

- 10.6. The former Program Manager had a child attending the program, and was carrying an outstanding balance from the 2008-09 fiscal year in the amount of \$122, which she paid at our request.

Details of delays in remitting and depositing funds are as follows:

- 10.7. Of 21 deposit packages sampled for the 2008-09 fiscal year, 13 disclosed delays in remitting collections to the treasurer, delays in depositing the funds, or a combination thereof, which ranged up to 18 days. All 13 instances corresponded to collections from the After School Care Program. Deposits sampled for the 2009-10 fiscal year up to February 2010 disclosed only one instance of delay, which happened during a holiday recess. Most deposits consisted of cash collections.

According to the program manager and the school administration, deposit delays were the results of instances when the former bookkeeper would be unavailable to receipt the monies. Also after April 2009, when the former bookkeeper resigned from her position, collections would have been withheld at the school pending the designee's availability to receive and post the funds.

RECOMMENDATIONS

- 10.1. **Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After School Care Program collections.**
- 10.2. **Ensure that proper procedures for the preparation and maintenance of Before/After School Care Program records and reports.**
- 10.3. **Periodically review the attendance and payment records to ensure their completeness and accuracy.**
- 10.4. **Continue efforts to collect outstanding balances from students who attended the program but did not pay.**

Responsible Person(s):

Principal and After School Care Staff

Management Response:

The Principal reviewed with the new Program Manager and Program Secretaries, *Section II, Chapter 2 of the Manual of Internal Fund Accounting* which establishes the procedures over the collection of money at the schools and the *Community School Procedures Manual* which provides procedural guidelines over the management and recordkeeping of Community School and Before/After School Care Program records.

The Principal and Program Manager developed a systematic plan for receipting and depositing Before/After School Program collections. The plan includes procedures for recording payments on the proper forms, utilizing official receipts, submitting monies to the school treasurer, or back-up designee the day of collection, depositing funds in a timely manner, and enforcement of collection of fees for services rendered.

The principal instructed the Program Manager to ensure that the student attendance rosters are properly completed and maintained on file as part of the documentation for the program.

The Principal has formulated a list of students whose payments are not up-to-date and as payments are received, students will be re-enrolled in the Before/After School Program.

The Principal made certain that students whose payments were not up-to-date were not allowed to continue in the Before/After School Program.

The Principal has devised a list of students with outstanding balances that attended the Before/After Care School program and is continuing the efforts to retrieve these funds.

The principal will conduct in-house mini-reviews of the attendance and payment records as well as all aspects of record keeping for the Before/After School Care Program to ensure completeness, accuracy, and compliance on a monthly basis.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region Business/Personnel Administrative Director instructed the Principal to develop a systematic plan for monitoring all aspects of record keeping of the Before/After School Care Program. A copy of the plan will be maintained at the Region.
- The Region Center II Business/Personnel Administrative Director cooperatively with the Principal will schedule technical training with the Office of Career and Technical Training focusing on the Child Care records for essential staff.
- The Region Center II Business/Personnel Administrative Director cooperatively with the Principal will coordinate periodical Child Care reviews with district staff from the Office of Career and Technical Training. Any discrepancies found from these reviews will be corrected immediately and copies of the reviews will be maintained at the Region Office.

Person(s) Responsible:

District/School Operations

Management Response:

- The Region Center will submit the on-site reviews, quarterly to District/School Operations.
- A copy of the approved systematic plan will be provided to District/School Operations.

**11. Inadequate Oversight Of
Before/After School Care
Program Located
At Paul L. Dunbar
Elementary School
Satellite
Charles R. Drew Middle School**

The *Community School Procedures Manual* establishes the guidelines for managing Community School and Before/After School Care programs. During the 2008-09 fiscal year, the following six satellite Before/After School Care programs reported to Charles R. Drew Middle's Community School: Charles R. Drew Elementary, Paul L. Dunbar Elementary, Benjamin Franklin Elementary, Lorah Park Elementary, Phillis R. Miller Elementary and Shadowlawn Elementary. Each center had a Program Manager responsible for collecting and receipting fees collected. The Community School Assistant Principal was responsible for overseeing the operation of the Community School which included the six satellite centers.

Our review of the overall operations disclosed discrepancies in the records of the satellite center located at Paul L. Dunbar Elementary. According to account records, during the 2008-09 fiscal year, this center had generated revenues of almost \$8,000, mostly cash. Also at this center, most of the participating students received subsidized child care.

We extended our review of this center's records up to December 2009 and noted similar conditions in the recordkeeping of the program. *The Program Manager responsible for the recordkeeping during the period reviewed had resigned prior to this audit.* What follows are those discrepancies identified in the records of the program satellite located at Paul L. Dunbar Elementary:

- 11.1. Postings to student registration cards disclosed a few instances where an official receipt was posted to more than one card. In addition, there were instances where receipt numbers posted to registration cards did not agree with the actual receipt numbers used to record payment.
- 11.2. We found instances of attendance rosters that were not properly completed in that the activity leader's name, date, and type of activity was not listed. We also found some instances where the attendance for After School Care and Story Hour was commingled in the same attendance roster.

The conditions cited above were only identified in 2008-09 fiscal year records. The following conditions were found in both years:

- 11.3. There were several instances where amounts, dates, and service periods recorded on the official receipts did not agree with the information posted to the registration cards. There were also instances where the amounts receipted did not agree with the fees due based on service periods.
- 11.4. The attendance rosters were prepared and signed by the Program Manager, thus disclosing improper segregation of duties.
- 11.5. There were instances where students were reported present on attendance rosters; however, fees were not collected. In other instances, students paid; however, the attendance was not being reported.
- 11.6. Payments totaling \$2,624 from the child care agency responsible for subsidizing a portion of the fees for the period of August 2009 to January 2010 were not received since the satellite center did not submit the reimbursement documentation on time.

RECOMMENDATIONS

- 11.1. **Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After School Care Program collections.**
- 11.2. **Ensure that proper procedures for the preparation and maintenance of Before/After School Care Program records and reports.**
- 11.3. **Periodically review the attendance and payment records to ensure their completeness and accuracy.**
- 11.4. **Strengthen review of student registration cards and attendance records.**
- 11.5. **Strengthen controls over agency reimbursements to prevent loss of revenue.**

Person(s) responsible: **Principal, Community School Assistant Principal
and Program Manager**

Management Response:

The Principal met with the Community School Assistant Principal, Program Manager and Community School Specialist to review the guidelines established in the Community School Procedures Manual for Managing Community School Before/After School Care Programs. Additionally, a meeting with staff of the Before/After School Care Program has been scheduled to further review preparation and maintenance of recording and reporting after care data.

To further assess compliance with guidelines established in the *Community School Procedures Manual*, all satellite programs will undergo periodic reviews by the Program Manager and Community Assistant School Principal to ensure compliance with policies and procedures regarding but not limited to, registration cards, participant attendance, receipting and deposit records for accuracy. Any anomalies will be corrected immediately.

The Principal met with the Community School Assistant Principal and the Program Manager to review the procedures on reporting to the child care agency subsidizing a portion of the child care fee. The Principal will review the report monthly to ensure accuracy and to ensure that the reimbursement documentation is submitted in a timely manner.

Person(s) Responsible:

Region III Administration

Management Response:

The Region III Business/Personnel Administrative Director will contact the offices for Adult Community Education to coordinate and schedule training for the Program Managers of the Satellite locations.

Person(s) Responsible:

District/School Operations

Management Response:

- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

12. Inaccurate Reporting And Documenting Of Payroll
Charles R. Drew Middle School

Similar payroll conditions were cited in the prior audit report. The Payroll Processing Procedures Manual and Payroll Fall Highlights published by the Payroll Department establish the procedures for documenting, recording and reporting the payroll. This year, our review of three recent payrolls processed between the months of November 2009 and January 2010 revealed the following deficiencies:

- 12.1. The time and attendance reported for hourly and daily paid employees did not always agree with the attendance recorded on the Daily Payroll Attendance Sheets or the leave cards.
- 12.2. Several leave cards documenting sick leave, personal leave, vacation leave or other leave taken by employees were not filed with the payroll records. One of these cards was subsequently provided. In addition, subsidiary documentation related to employees reported on Temporary Duty was not on file.
- 12.3. We found instances where daily paid employees had not indicated their presence on Daily Payroll Attendance Sheets; however, were reported present on the Final Rosters on those days when the attendance was not documented. According to the principal, the employees worked during those days, but forgot to sign-in.

We identified a few other errors with the payroll documentation. The school processed the necessary payroll corrections at our request.

RECOMMENDATIONS

- 12.1. Review payroll procedures with school staff and administration, particularly as it relates to payroll reporting and recordkeeping.**
- 12.2. Strengthen the supervision over the payroll function and the review of the payroll records.**

Person(s) responsible:

Principal and Payroll Clerk

Management Response:

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Secretary and Assistant Principal focusing upon the procedures to document leaves, the reporting of substitutes and the process to approve payroll.

A system has been established to record time and attendance for all for the review of the Daily Payroll Attendance Sheet by both the Payroll Secretary and the Assistant Principal to ensure that all employees sign in/out on a daily basis and proper notations

to document absences are recorded. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis. The Principal instructed the Assistant Principal to carefully review the daily payroll reporting of substitutes. Ensure the name of the absent teacher is recorded, the time reported for the substitute (i.e. half day or full day) matches that of the absent teacher, substitutes are accurately reported for each absent teacher including employee number and is not reported for a teacher who is present. The Principal instructed the Assistant Principal to immediately report any discrepancies in the reporting of payroll for substitutes to the Payroll Secretary for correction on a daily basis.

As a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty, emphasizing the sign in/out procedures, completion of leave cards and the submission of temporary duty forms. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be obtained and kept on file.

Person(s) Responsible:

Region III Administration

Management Response:

The Region III Business/Personnel Administrative Director will conduct quarterly site visitations to review payroll procedures for compliance.

Person(s) Responsible:

District/School Operations

Management Response:

- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

**13. Title I Account Balances
Improperly Monitored And
Payroll Expenditures
Improperly
Documented
*Charles R. Drew Middle School***

A similar condition was noted during the prior year audit. Title I program funds not spent or encumbered by year-end are lost as they cannot be re-budgeted the following year. While funds should not be spent unnecessarily, good budget planning and continuous monitoring of account balances are essential to ensure that precious funding resources are used to their maximum intended purpose. Also, Chapter I of the *Title I School-Based Budget System Manual* states that part-time salary accounts must be budgeted to cover the related expenditures. In the event that actual expenditures may exceed initial budgeted amounts, available funds from other program account structures must be transferred to the part-time payroll accounts to cover the expenditures.

According to general Title I Program guidelines, grant funds must be used to *supplement* the existing instructional program at a school, and not to *supplant* funding sources previously established for the existing program. Furthermore, salary expenditures must directly relate to activities associated with the grant.

Our review of Title I program expenditures encompassed a review of amounts budgeted versus amounts spent for the year, as well as the job duties and responsibilities of employees paid with Title I funds. Our review disclosed the following:

- 13.1. During the 2008-09 fiscal year, salary expenditures totaling \$506 were charged to the Hourly Temporary Instructor account, however, the account did not have an established budget; while the Hourly Employee accounts had a year-end balance of \$27,429. Similarly, non-salary accounts used for the purchase of supplies and other similar goods/purchases disclosed a combined year-end balance of \$27,057. Even though funds were available in some of these accounts, a transfer was not made prior to the end of the fiscal year to cover the \$(506) deficit in the Hourly Temporary Instructor Account.

In April 2009, the school transferred \$18,096 from the Schoolwide - Hourly account to the Schoolwide-Parental Involvement Paraprofessional account in order to open an additional position for a Community Involvement Specialist (CIS). However, an additional CIS was not hired and funds were not utilized.

Funds in the amount of \$12,119 were allocated to the school to pay for FCAT preparation tutoring on an hourly basis; however, these funds were not utilized by the school and consequently reverted back to the District at the closing of the fiscal year.

- 13.2. Based on our observation and inquiries with staff and administration, we noted in the current year, the school hired a part-time Community Involvement Specialist; however, work schedules detailing the work performed were not provided. According to the Principal, the part-time CIS was hired to perform duties related to assisting and contacting parents. The total amount paid during the 2009-10 fiscal year was \$2,755, excluding fringe benefits.

RECOMMENDATIONS

- 13.1. The school should develop appropriate spending plans for Title I program funds in order to maximize their use. Consequently, hourly accounts should be monitored periodically to ensure that established budgets are not exceeded and request budget transfers, as needed, to cover hourly payroll expenditures.
- 13.2. Review work schedules and duties of staff funded with Title I programs to ensure that proper funding sources are being used to cover payroll expenditures.

Person(s) responsible:

Principal

Management Response:

The Principal has established a projected plan of expenditures to avoid negative balances at the end of the year and minimize budget transfers. The Principal has established a system to properly monitor all Title I expenditures through COGNOS on a monthly basis with the Assistant Principal and Treasurer.

The Principal will review Circular A-87 Payroll Certification Reports and Payroll to ensure that only personnel hired and providing services under Title I are authorized and paid with Title I funds. This report will be reviewed by the assistant principal and approved by the principal. Subsequently, the Assistant Principal will review and monitor work schedules and duties of staff on a monthly basis funded with Title I programs to ensure that proper funding sources are being used to cover payroll expenditures.

Person(s) Responsible:

Region III Administration

Management Response:

The Principal will print and review from COGNOS/SAP account balances to ensure appropriate funds are maintained and expended in funding structures available to the site. A copy will be submitted to the Region III Business/Personnel Administrative Director on a monthly basis for review.

Person(s) Responsible:

District/School Operations

Management Response:

- District/School Operations will review from COGNOS/SAP account balances to guarantee funds are maintained and monies spent are available to the school site. Any negative balances will be communicated to the region and corrected as necessary.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

**14. Community Involvement
Specialist (CIS) Duties
Non-Compliant With
Home Visitation And
Recordkeeping
Requirements
*Charles R. Drew Middle School***

Similar conditions were cited during the prior audit. Pursuant to Section F of the *Title I Administration Handbook*, Community Involvement Specialists (CIS) are hired at the schools to facilitate the implementation and administration of Title I programs. Their main responsibility is to maintain a close relationship between the school, the parents, and the community.

Part of the CIS duties includes maintaining the Parental Involvement Filing System, whose objective is to maintain adequate documentation of all parenting activities. The documentation should include, among others: weekly schedules, calendar of parent activities, monthly school reports, telephone contact logs, record of home visits, and school-parent compacts. We extended our review to include the CIS records for 2009-10. The following discrepancies were noted:

- 14.1. According to the 2008-09 CIS' monthly reports, 68 telephone contacts were made during the year; however, only 14 were documented. Additionally, for both years, several home visits forms were incomplete in that student/parent information was not entered as well as the reason for the visit.
- 14.2. In the 2008-09 and 2009-10 fiscal years, the full-time CIS' weekly schedules were not maintained. Instead, the same schedule was used for the entire year.
- 14.3. In the 2008-09 and 2009-10 fiscal years, several items reported on the Parental Involvement Monthly Activities Report could not be traced to the proper support, or did not agree with the support provided. Also, the school-parent compact did not include all of the required information.
- 14.4. In the 2008-09 fiscal year, two of the Parental Involvement Monthly reports were incomplete; while one report was not presented for audit.

RECOMMENDATIONS

- 14.1. Review the responsibilities of the Community Involvement Specialist with the appropriate staff to ensure an understanding of their duties and responsibilities.**
- 14.2. Periodically meet with the CIS to monitor schedule of assignment and ensure that proper coverage of parental activities and home visitations is taking place.**

14.3. Review Parental Involvement Monthly School Reports and ensure that information is properly documented.

Person(s) responsible:

Principal and CIS

Management Response:

The Principal met with the Assistant Principal and Community Involvement Specialist (CIS) to review orally and in writing the responsibilities of the CIS and to ensure there is an understanding of the weekly assignments to ensure proper coverage of parental activities and home visits are taking place and duties and responsibilities associated with the position. The CIS will be provided a written outline of their responsibilities. An acknowledged copy of the CIS responsibilities will be kept on file.

The Assistant Principal will monitor the Home Visitation Log and the Parent Activities Report on a weekly basis to ensure the CIS is documenting the required information. The Principal will meet with the CIS to review and sign the Monthly Activity Report and the Monthly School Report to ensure compliance prior to submission to Title I Administration.

Person(s) Responsible:

Region III Administration

Management Response:

The Principal will submit to the Region III Business/Personnel Administrative Director all CIS reports on a monthly basis for review.

Person(s) Responsible:

District/School Operations

Management Response:

- District/School Operations will present information on Title I compliance requirements through monthly principal webcasts.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

**15. Inadequate Recordkeeping of Professional Development Activities Conducted And Attended by the Title I Reading Coach
*Charles R. Drew Middle School***

A similar condition was discussed during the prior audit. The Title I Administration Handbook delineates the education support and job description of the school's Reading Coach. According to the job description, Reading Coaches are vested with the responsibility of directing instructional services in reading/language arts to students and provide technical assistance to teachers implementing the reading program at the school. The Reading Coach must maintain adequate documentation of professional development activities as evidence of the assistance provided to teachers.

A Reading Coach Compact is a written agreement between the School, the Region, the District and the Reading Coach that is utilized to build the capacity of the Reading Coach. This form is completed and signed by all parties involved and maintained at the school. The Compact defines the responsibilities and tasks of the reading coach in relation to professional development, coaching and conferencing, student assessment, managing reading materials, and similar related activities. In addition to these responsibilities, Reading Coaches paid with Title I funds must act as liaison for professional development activities in the areas of Mathematics, Science and Reading.

15.1. Our review of the records maintained by the Reading Coach disclosed that some agendas and sign-in sheets for professional development meetings held during the year were not presented for audit. We also noted that supporting documentation for professional development workshops attended by the Reading Coach were not retained for audit purposes and a log of professional development was not prepared. We extended our review to the current year and noted similar conditions. In addition, the Reading Coach's compact for the 2009-10 fiscal year was not on file at the school. The Reading Coach retired as of March 26, 2010.

RECOMMENDATION

15. Discuss the documentation requirements with the incoming Reading Coach for understanding and awareness of the requirements.

Person(s) responsible:

Principal and Title I Reading Coach

Management Response:

The Principal met with the Reading Coach and Assistant Principal to review the guidelines outlined in the *Title I Administration Handbook* as they pertain to the job description of Reading Coaches and the responsibilities vested with the position. The

Reading Coach was provided in writing their respective responsibilities related to professional development, coaching and conferencing, student assessment managing reading materials and related activities. A copy with acknowledgement is on file.

Additionally, the principal provided the Reading Coach written documentation of the responsibilities of the Reading coach to maintain agendas and sign-in sheets for workshops conducted and/or attended by the Reading Coach. These documents will be reviewed on a monthly basis with the Assistant Principal and Principal.

Person(s) Responsible:

Region III Administration

Management Response:

The Principal will submit to the Region III Business/Personnel Administrative Director all Reading Coach required reports on a monthly basis for review.

Person(s) Responsible:

District/School Operations

Management Response:

- District/School Operations will present information on Title I compliance requirements through monthly principal webcasts.
- Refer to page 142 of Appendix for District/School Operations' comprehensive response to the school findings of Charles R. Drew Middle School.

16. Discrepancies In Special Education Student Records Resulted In FTE Funding Disallowances
Aventura Waterways K-8 Center

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all special education forms be filed in the students' cumulative folders. Furthermore, the *Matrix of Services Handbook 2004 Revised Edition* issued by the Florida Department of Education establishes the guidelines and procedures to initiate and update a matrix.

The Matrix of Services form [FM-5582] is used to determine the cost factor for special education students based on the decisions made by the Individual Education Plan (IEP) Committee, as documented on the Individual Educational Plan (IEP) [FM-4953]. According to the guidelines, if services do not change as a result of an IEP meeting and the matrix is less than three years old, the existing matrix may be reviewed. If services change, a new matrix must be completed.

Our review of a sample of 32 special education (SPED) student folders, which included nine Gifted student folders, revealed the following discrepancies in nine student folders:

- 16.1. In two instances, the Individual Education Plan (IEP) [FM-4953] and the corresponding Matrix of Services form [FM-5582] did not agree. Specifically, the related services were not indicated on the Matrix. In another instance, the matrix of services form had an incomplete review date. These errors and omissions could have generated a potential funding loss of \$16,067 funding to the District.

We identified several other errors and omissions in the student folder documentation which did not negatively impact funding levels. However, these discrepancies represent lapses in compliance with established procedures which require management's immediate attention. Details follow:

- 16.2. In one instance, the calculation based on the domain rating points documented in the Matrix of Services form was mathematically incorrect; however, the correct number fell within the same cost factor scale and funding levels were not affected. In one other instance, a student was not receiving occupational therapy (OT) as specified in the student's IEP due to miscommunication between staff and the therapist.
- 16.3. Regarding the documentation in the Gifted Program student files, we found two instances where the Educational Plan (EP) [FM-6329] had expired prior to the October FTE survey; one instance where the General Education teacher had not signed the Educational Plan, and the General Education Teacher Statement [FM-6868] was not on file; and one other instance where the second page of the Notification of Meeting [FM-4851] was not available.

RECOMMENDATION

16. Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.

Person(s) Responsible:

Principal and SPED Staff

Management Response:

- The principal will assume an active role in monitoring all SPED student folders for accuracy and in order to ensure that SPED folders are in full compliance with the guidelines established by the State of Florida, Department of Education and the District.
- The principal, assistant principal, SPED chairperson and registrar reviewed the *Local Education Agency (LEA) Implementation Guide*, and the *Matrix of Services Handbook 2004 Revised Edition*, requirements to ensure strict adherence to the established procedures for the maintenance of SPED folders, to include documents relevant to FTE funding.
- The principal held a SPED compliance meeting where notations were reviewed with all SPED staff. Copies of notations were disseminated to appropriate staff.
- The assistant principal and the SPED department chairperson will work with SPED teachers to ensure that the cumulative records of all SPED students are in compliance using the SPED Cumulative Record Checklist (FM-7069).
- The principal met with the assistant principal, registrar and SPED chairperson and instructed a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper IEP/EP documentation, and ensure that proper services are provided through the utilization of the Regional Center II generated Check list
- Furthermore, the registrar and SPED chairperson will ensure that the PF17 screen correlates with the matrix score as indicated on the Matrix of Services form to confirm review of SPED cumulative folders.
- The principal and the assistant principal will review the log and checklist for accuracy.
- The principal will establish a procedure to conduct quarterly mini-reviews of Special Education cumulative folders.
- The principal, assistant principal, SPED chair and registrar will attend all LEA compliance, Matrix of Service and IEP workshops/trainings as scheduled by the region/district.
- The principal will request additional collaboration from District and Region SPED personnel to bi-annually review samples of school site SPED/Gifted cumulative folders. The assistant principal, SPED chairperson and registrar will correct any discrepancies, if any, before scheduled audit reviews.
- The Principal established a protocol to follow in order to expeditiously receive answers to any future questions or concerns regarding SPED/Gifted issues.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.
- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.

Person(s) Responsible:

District/School Operations

Management Response:

- Results from the Region mini-reviews will be submitted to District/School Operations for a final review. Any discrepancies will be corrected immediately.
- Results of the Region developed records review checklist will be submitted to District/School Operations to ensure that cumulative folders and SPED/IEP folders have been carefully reviewed.

**17. Discrepancies In Special Education Student
Records Resulted In FTE Funding
Disallowances
*Coral Reef Elementary School***

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all special education forms be filed in the students' cumulative folders. Furthermore, the *Matrix of Services Handbook 2004 Revised Edition* issued by the Florida Department of Education establishes the guidelines and procedures to initiate and update a matrix.

The Matrix of Services form [FM-5582] is used to determine the cost factor for special education students based on the decisions made by the Individual Education Plan (IEP) Committee, as documented on the Individual Educational Plan (IEP) [FM-4953]. According to the guidelines, if services do not change as a result of an IEP meeting and the matrix is less than three years old, the existing matrix may be reviewed. If services change, a new matrix must be completed.

Our review of a sample of 35 special education (SPED) student folders, which included fourteen Gifted student folders, revealed discrepancies in nine student folders which could affect funding levels. In four instances, the Individual Education Plan (IEP) [FM-4953] and the corresponding Matrix of Services form [FM-5582] did not agree. Specifically, the related services were not indicated on the Matrix. In five other instances, the review date on the Matrix of Services form was incomplete, incorrect or was dated prior to the IEP. These errors and omissions could have generated a potential funding loss of \$31,727 funding to the District.

We identified a few other errors and omissions in the student folder documentation reviewed; and although these discrepancies did not affect established funding levels, they still represent lapses in compliance with established procedures which require management's immediate attention.

RECOMMENDATION

- 17. Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

Person(s) Responsible:

Principal and SPED Staff

Management Response:

The principal directed the registrar and the receiving SPED teacher to review all incoming cumulative student records for accuracy and proper documentation in accordance with School Board Rule 6Gx13-5B-1.07- Student Education Records and to ensure that the PF17 screen documents correlate to the Matrix score indicated in the IEP. All incoming SPED cumulative records are forwarded to the assistant principal for

further review and the acquisition of missing documents. The principal is notified in writing of any missing or non-compliant records. All non-compliant documents are corrected appropriately and immediately after a final review by the principal.

The principal directed the assistant principal and the appointed SPED teacher to work as a team and review cumulative records with focused attention to the Matrix of Services forms with levels of 254 or 255.

The team will work with all other SPED teachers to ensure that the cumulative records of SPED students are in compliance utilizing the SPED Program Standards Review **(FM-7069)** and kept for reference by the assistant principal on the team.

The team will conduct a mini self-audit of selected cumulative records for students with disabilities for compliance using the SPED Program Standards Review **(FM-7069)** before each F.T.E. period.

In addition, at every Individual Education Plan (IEP) Review the aforementioned appointed SPED teacher and the program/staffing specialist at the Initial Staffing for SPED students will complete the SPED Program Standards Review **(FM-7069)** form to assure accuracy and submit it to the principal or the designee for review. This form will be kept on file.

Upon completion of an IEP, a review and/or update of the Matrix of Services will be conducted and the review team and registrar will ensure that all information is accurately entered into ISIS system and that a hard copy is kept for reference.

The SPED Services Data Input Sheet (FM-6487) will be accurately completed at all meetings and given to the review team. The team will review the SPED Services Data Sheet and will forward it to the registrar for recording purposes.

A Data Input Log Book will be maintained by the registrar to ensure that all SPED Services Data Input Sheet information is inputted accurately and in a timely manner. A printout of the screen displaying data entered will be attached and submitted to the principal or designee for review and filed in the Data Input Log Book for future reference. The principal will randomly monitor and review a percentage of SPED records on a quarterly basis.

On the comment section of the SPED Program Standards Review (FM- 7069) form, a line indicating a review of the EASY IEP on line system will be added to assure that all incoming and annual IEP's have been correctly input in the system.

Person(s) Responsible:

Region V Administration

Management Response:

The Region V Business/Personnel Director will facilitate district assistance in providing Easy IEP and Matrix of Services training to ensure online system entry of SPED records to the schools.

The Region V Business/Personnel Director will request district assistance with FTE input and review each semester to ensure accuracy of data entry of SPED information. The Administrative Director will provide additional support and assistance to the affected school during the 2010-2011 school year via an audit review of SPED/Gifted procedures and records.

The principal will be required to attend the FTE training when offered by the District.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to Page 81 of this report and to page 141 of Appendix. District/School Operations provided similar response for Aventura Waterways K-8 Center and this school.

**18. Discrepancies In Special Education Student
Records Resulted In FTE Funding
Disallowances
*North Miami Senior High School***

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all special education forms be filed in the students' cumulative folders. Furthermore, the *Matrix of Services Handbook 2004 Revised Edition* issued by the Florida Department of Education establishes the guidelines and procedures to initiate and update a matrix.

The Matrix of Services form [FM-5582] is used to determine the cost factor for special education students based on the decisions made by the Individual Education Plan (IEP) Committee, as documented on the Individual Educational Plan (IEP) [FM-4953]. According to the guidelines, if services do not change as a result of an IEP meeting and the matrix is less than three years old, the existing matrix may be reviewed. If services change, a new matrix must be completed.

Our review of a sample of 41 special education (SPED) student folders, which included 15 Gifted student folders, revealed the following discrepancies in 12 student folders:

- 18.1. In five instances, student records were not available at the school.
- 18.2. In two instances, the Matrix of Services Form in effect for the October FTE survey had not been reviewed or updated at the interim or annual conference date.
- 18.3. In two instances, a student was 14 years or older; however, the Notification of Meeting [FM-4851] did not indicate that the student had been invited to participate in the meeting. In another instance, the Notification of Meeting was not available.
- 18.4. One Gifted Educational Plan (EP) [FM-6329] had the incorrect duration date; and one EP did not have the General Education teacher signature and a statement was not available.

Pursuant to our potential loss calculations, the findings stated above would have generated funding disallowances of \$20,726 to the District.

RECOMMENDATIONS

- 18.1. Strengthen controls over the safeguarding of student cumulative folders.**
- 18.2. Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

Person(s) Responsible:

Principal and SPED Staff

Management Response:

The Principal met with the Administrative Team, the SPED Chairperson and the SPED Program Specialist and thoroughly reviewed Section D of *the Local Education Agency (LEA) Implementation Guide* and *FLDOE Matrix of Services Handbook* and *The Matrix of Services form (FM-5582)* to ensure strict adherence to the established procedures for the maintenance and safeguarding of SPED students' cumulative folders, and their associated electronic records.

The Principal and Vice-Principal will meet with the Registrar, SPED Chairperson, and SPED Program Specialist and authorize a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper IEP/EP documentation and ensure that proper services are provided through the utilization of regional Center II Check list. The review will include, but not be limited to, proper mathematical calculation of the matrix, ensuring that related services are indicated on the matrix, dates are accurate and completely written out, and that IEPs and EPs remain current and are not allowed to expire. The Registrar and SPED Chairperson will create a checklist to utilize to ensure that all SPED cumulative folders have been reviewed and meet compliance and that the PF 17 screen correlates with the Matrix of Services form. The Principal and Vice-Principal over SPED will then review the log and checklist for accuracy.

The Principal, Assistant Principal over SPED, Registrar and SPED Chairperson will attend all LEA compliance, Matrix of Service and IEP workshops/training as scheduled by the region/district. This will provide required training to assure compliance with SPED related issues.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that no discrepancies exist in SPED records utilizing *the Local Education Agency (LEA) Implementation Guide* and *FLDOE Matrix of Services Handbook*.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.

- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.

Person(s) Responsible:

District/School Operations

Management Response:

- Copies of the records review checklists developed by the Region will be forward to District/School Operations to ensure that SPED cumulative folders and ESOL Program Record Folders are in compliance with policies and procedures.
- Refer to page 141 of Appendix for District/School Operations' comprehensive response to the school findings of North Miami Senior High School.

**19. Discrepancies In English Language
Learners' (ELL) Student
Records Resulted In
Potential Funding
Disallowances
*North Miami Senior High School***

For the 2009-10 school year, guidelines and procedures for maintaining ELL student information were provided through the Division of Bilingual Education and World Languages memoranda, the *District ELL Plan 2008-2009* and *Procedures Manual 2005*.

According to the guidelines, parents must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6577] and Home Language Surveys [FM-5196] must be properly completed and filed in the ESOL Program Record folder. All sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated prior to FTE week. For the 2009-2010 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students. For a student who has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester.

Our review of a sample of 40 ELL student folders disclosed discrepancies in 24 student folders, or 60% of the sample.

- 19.1. In 14 instances, a printout of the student schedule from the Integrated Student Information System (ISIS) database for the current year was not available; while in another instance, the schedule was dated *after* the FTE survey period.
- 19.2. In three instances, LEP records and student files were not available.
- 19.3. Seven students were beyond six semesters in ESOL; however, there was no evidence in the folders to support that the LEP committee had convened after each semester.
- 19.4. Three Home Language Surveys [FM-5196] were not properly completed.
- 19.5. The Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6577] was not filed in one student folder; while in another instance, it was dated after the survey period.
- 19.6. In two instances, the assessment date in the LEP Plan was dated subsequent to the date when the student entered into the program.

Pursuant to our calculations, the findings stated above would have generated a potential funding disallowance of \$2,934 to the District.

RECOMMENDATIONS

19.1. Strengthen controls over the safeguarding of student cumulative folders.

19.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate, complete, and updated, and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

Person(s) Responsible:

Principal and ELL Staff

Management Response:

The Principal met with the Vice-Principal, Assistant Principal over the ELL Program, and ELL Chairperson reviewed the guidelines and procedures for maintaining ELL students' information memoranda from the *Division of Bilingual Education and World Languages* and also the *District ELL Plan* which establishes procedures for the maintenance and safeguarding of ELL students cumulative folders.

The Principal instructed the Assistant Principal over the ELL Program, School Registrar, and the ELL Chairperson to review all incoming cumulative folders for accuracy and review the "J" screen to assure that all information is updated in a timely manner.

The Principal, Vice-principal and ELL Chairperson established and implemented a set of procedures whereby all future ELL student's records are checked for accuracy as they arrive at the school.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that no discrepancies exist in ELL records utilizing the information from the *Division of Bilingual Education and World Languages* and also the *District ELL Plan*.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ESOL program.

- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and ESOL folders are carefully reviewed for compliance upon entry.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to Page 87 of this report. District/School Operations provided similar response to address both FTE findings of North Miami Senior.

20. IT Function At School Site Not Properly Monitored And Maintained
Miami Heights Elementary School

We initially visited the school on Tuesday, April 13, 2010 to assess the condition of the IT school site function¹ and found that several of the required IT controls and practices were not compliant with District policy. These issues were discussed with the school administration and the School Based Technician (SBT) for corrective action.

On May 26, 2010, we conducted an audit follow-up visit to determine whether corrective action had ensued. During our follow-up, we found that the school administration had revoked access to those employees identified during the initial audit visit that should not have been authorized to access to the Attendance Gradebook Manager application and the application for the preparation of payroll. Also, issues related to network equipment not functioning or computer equipment whose software was not up-to-date had been corrected; the wireless access point located in the media center had been properly secured; LOCAL ADMINISTRATOR passwords were on file at the school; a disaster recover plan had been prepared, and backups were taking place.

RECOMMENDATION

- 20. Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and continued adherence to MDCPS Network Security Standards.**

Person(s) Responsible: **Principal and School Based Technician(s)**

Management Response:

The principal will print, review and sign the Authorized Applications for Employees by Locations (RACF) report on a monthly basis to ensure that school personnel have access only to those applications required by their job duties and responsibilities. This report will be submitted to the Region and maintained on file in the principal's office. The Principal immediately revoked the payroll preparation and Attendance Gradebook Manager Application given to unauthorized personnel.

¹ This included the review of the evaluation document titled "School Site IT Security Audit Assessment" developed by the Office of Management and Compliance Audits, in collaboration with Information Technology Services (ITS). This self-assessment tool is completed every year by school sites to assess the quality of network security, compliance with the Network Security Standards (NSS), and district technology directives. Once completed, it is submitted to our office for review.

The Principal met with the Assistant Principals and the School Based Technician (SBT) to review the audit findings and the M-DCPS Network Security Standards to ensure that staff directly responsible for maintaining technology infrastructure are cognizant of District IT policies, directives and requirements.

The Principal directed the SBT to print a BigFix Console report on a monthly basis for the Principal to review in order to ensure the existence of District-mandated antivirus software, the availability of current software and all computers are in working order.

The Principal directed the SBT to develop a disaster recovery plan inclusive of a backup routine. The Principal will review the document with the Assistant Principals and maintain it on file in his office.

The Principal will ensure that the SBT attends training on computer server configuration and all aspects the job description and requirements. In addition, the Principal identified a Mentor for the SBT to provide ongoing assistance.

Person(s) Responsible:

Region V Administration

Management Response:

The Region V Business/Personnel Administrative Director will conduct quarterly reviews of the Employees by Locations (RACF) report to ensure school-site compliance.

Person(s) Responsible:

District/School Operations

Management Response:

- The Region Center will submit to District/School Operations and keep on file a copy of the established systematic plan developed to secure computer equipment and to ensure adherence to MDCPS network Security Standards.
- The Region Center will submit the completed copy of the School Site IT Security Assessment each quarter to District/School Operations.
- Copies of the signed RACF report will be forwarded to District/School Operations and kept on file.

21. IT Function At School Site Not Properly Monitored And Maintained
Horace Mann Middle School

We initially visited the school on Thursday, April 8, 2010 to assess the condition of the IT school site function² and found that several of the required IT controls and practices were not compliant with District policy. These issues were discussed with the school administration and the School Based Technician (SBT) for corrective action.

On May 26, 2010, we conducted an audit follow-up visit to determine whether corrective action had ensued. During our follow-up, we found that the school administration had revoked access to those employees identified during the initial audit visit that should not have been authorized to access the system application for changing student grades. Also, issues related to network equipment not functioning or computer equipment whose software was not up-to-date had been corrected; LOCAL ADMINISTRATOR passwords were on file at the school; a disaster recover plan had been prepared, and backups were taking place.

What follows represents those deficiencies identified during our initial audit visit that remain uncorrected or are in the process of being corrected as of our follow-up visit:

- 21.1. A major server cluster, rack, and other network equipment were located in a room set aside for mechanical equipment. This location was considered inappropriate due to moisture, dust, and other extreme environmental conditions. *We had recommended to the administration several other areas within the building where this equipment could be safely housed.*

As of May 26, 2010, those servers deemed unnecessary had been decommissioned and prepared for disposition; however, five rack-mounted servers still remain at the original location. The school administration has identified an alternative location for this equipment and progress is being made towards their relocation.

- 21.2. During our initial walk-through of the facilities, we found one office and two computer laboratory areas where a few students had access to computers, and there were no staff members on sight supervising the students and the facilities. During our follow up visit, we observed that the laboratory rooms still remained unlocked and unsupervised; however, no students were present in these areas. In the two laboratory areas, we also observed that keyboards and mice were missing from many computer stations; and a printer had been vandalized.

² Refer to footnote on page 91.

RECOMMENDATIONS:

- 21.1. Finalize relocation of network equipment to provide suitable protection from environmental hazards as well as adequate security.**
- 21.2. Ensure that areas where computer equipment is accessible to students are secure and supervised.**
- 21.3. Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and continued adherence to MDCPS Network Security Standards.**

Person(s) Responsible: **Principal and School Based Technician(s)**

Management Response:

The principal held a meeting with the assistant principal and the school-based technician to review the findings and develop a monthly monitoring plan. The principal reviewed the IT guidelines set forth by the Miami-Dade County Public School's *Network Security Standards Handbook* and shared this information with the administrative team and the school-based technician. Expectations and responsibilities were delineated and emphasized to ensure network security and adherence to Miami-Dade County Public School's network security standards.

The principal, assistant principal, and school-based technician, along with assistance from ITS staff, have identified an alternate location for the server room which is secure and better suited for the server equipment.

The principal reviewed the *School Site IT Security Assessment* with the assistant principal and the school-based technician at the scheduled monthly meetings and together, will conduct a self-assessment and walk-through to ensure that items specified as "yes" on the report are accurate.

The principal will require that computer labs remain locked at all times for security purposes. A system has been devised wherein teachers will gain access to the computer labs through the security monitor stationed in designated hallways.

All computer lab equipment will be inventoried and kept on file by the Magnet Lead Teacher. Classroom teachers will be required to sign-in and sign – out for equipment needed for their students.

The computer located in the waiting area of the new building administrative office has been removed for security purposes.

The magnet lead teacher developed a checklist with the principal to enable a thorough walk through in each lab every morning before school to monitor the equipment and identify any broken and/or damaged equipment. The principals or assistant principal (designee) will perform this duty in the absence of the magnet lead teacher.

Teachers will be reminded verbally, and in writing of the importance of reporting damaged and/or broken equipment immediately to the school-based technician. A form will be developed and housed in each lab to expedite the reporting process.

Person(s) Responsible:

Region II Administration

Management Response:

- The Principal was instructed to relocate network equipment to the location previously agreed upon to ensure adequate security as well as protection of equipment from environmental hazards.
- The Region Center II Business/Personnel Administrative Director requested that the Principal devise and implement a plan to ensure that areas where computer equipment is accessible to students is secure and supervised. A copy of the plan will be maintained at the Region.
- The Region Center II Business/Personnel Administrative Director will request the Principal to submit a completed copy of the "School Site IT Security Assessment" on a quarterly basis.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to Page 92 of this report and page 141 of Appendix. District/School Operations provided the similar response for Miami Heights Elementary and this school.

**22. IT Function At School Site Handled
By Hourly Personnel Not
Properly Maintained
*Information Technology Services***

Recent school site IT audits at Barbara Goleman and Felix Varela senior high schools identified that many of the required IT controls and practices were not compliant with District policy. This included the review of the evaluation document titled “School Site IT Security Audit Assessment” developed by the Office of Management and Compliance Audits, in collaboration with Information Technology Services (ITS). This self-assessment tool is completed every year by school sites to assess the quality of network security, compliance with the Network Security Standards (NSS), and district technology directives. Once completed, it is submitted to our office for review.

At these locations, our IT walkthrough of the facilities and our review of the school site network and associated reports disclosed the following:

- Unsecured wireless access points (WAPs) were identified throughout the campus. WAPS whose presence is known and whose signal is detectable may provide the opportunity for unauthorized access to the M-DCPS network;
- Server-class machines that were not fully operational or identified;
- Computers that were not equipped with District-required antivirus (SOPHOS) or the antivirus was not functioning properly;
- Computers that were not members of the DADESCHOOLS domain;
- Computers containing non-standard LOCAL ADMINISTRATOR accounts; and
- Documented data recovery plans were not available for review and routine data backups were not taking place.

School Based Technicians (SBTs) are responsible for ensuring a smooth and properly safeguarded school site IT operation. However, due to the District’s hiring freeze, these two schools were unable to hire a full-time SBT for over a year. The Principals attempted to mitigate this situation by hiring hourly personnel to perform the function of the SBT. *At the present time, both schools have hired full-time SBTs.*

We conducted audit follow-up visits at both schools to assess whether corrective action had taken place. At Barbara Goleman Senior High School, all deficiencies identified during the initial visit had been corrected with significant assistance and direct support from ITS personnel. Regarding Felix Varela Senior High School, we conducted our follow-up visit in late May, and found that most of the deficiencies were corrected; while the remaining ones were in the process of being corrected.

RECOMMENDATION:

- 22. Going forward, responsible administration should periodically review the IT function at each location to ensure optimal network security and performance, and continued adherence to M-DCPS Network Security Standards.**

Department Responsible: Information Technology Services (ITS)

Management Response:

The following response to the IT audits at Barbara Goleman Senior High School and Felix Varela Senior High School includes corrective and preventive action plans implemented by ITS to ensure and promote compliance with IT network and security standards and procedures at school sites:

As a result of the School Board Meeting, held on June 17, 2009, when School Board Agenda Item D-26 was approved, all School Based Technicians (SBTs) comprised of Computer Specialists, Microsystems Technicians, and Computer Technicians are now realigned under Information Technology Services (ITS). Said realignment is commonly referred to as the Centralized School Technology Support Model. This model would allow ITS to place technical resources where they are needed most in an effort to provide schools with the support necessary to go about their day-to-day business of educating children.

Under this plan, ITS would maintain a dedicated full-time SBT at each senior high school, middle school, and K-8 Center while providing support for elementary schools at a ratio of one SBT to three schools. This alignment will benefit the District by allowing the shift of resources to where they are needed most and by providing standardized processes and procedures for all technical staff to follow. Having standardized processes means that the technology in any of our schools can be maintained by any SBT regardless of the size and complexity of the network.

At the time of Barbara Goleman Senior High School's IT audit, the following issues ensued and solutions were implemented:

- After the approval of Board Agenda Item D-26, there was an implementation period for the School Technology Support Model. After several meetings and finally by September 2009, ITS was able to place a full-time School Based Technician at Barbara Goleman Senior High. Until this time, this school did not have a full-time School Based Technician for several months. The Principal had hired an individual on an hourly basis to sustain the existing technology and keep it running; however, part-time coverage was not sufficient, as district-wide budget constraints required a reduction in hourly personnel schedules from 50 hours per pay-period to 25 hours per pay-period. Several schools and departments,

including Barbara Goleman Senior High and ITS, were severely affected by the hiring freeze.

- Subsequent to the school site IT audit at Barbara Goleman Senior High, ITS mobilized a “swat” team of technicians to the site and ensured every item was corrected. This correction required five individuals reporting to Barbara Goleman Senior High for a total of 443 personnel hours.

Audit staff from the Office of Management and Compliance Audits (OMCA) found a similar situation at Felix Varela Senior High, where the full-time SBT was not filled until recently; and the Principal had hired a part-time employee to sustain the school's IT function. Again, just like in the Barbara Goleman Senior scenario, ITS sent a technical swat team to Felix Varela Senior and within a few days, all exceptions were resolved. As evidenced by OMCA, during their audit follow-up visit to the school.

Presently, ITS is working in conjunction with staff from schools and Management and Compliance Audits to ensure that all schools adhere to network security policies and procedures, as well as industry standard best practices. ITS is also sharing with SBTs information on how to prepare for technology field audits at our regularly scheduled Operations Review (OR) meetings where IT audit staff from Management and Compliance Audits has had the opportunity to present information by being guest speakers. Through this implementation and collaborative efforts, school sites should encounter improved audit results and undergo IT audits leading to less or no audit exceptions.

In the event that discrepancies are found during the technology audit, ITS will establish a team of technicians in neighboring schools, drawing on the required level of expertise necessary to resolve the issue. Said team will then be deployed to the affected site with a clearly defined work plan and timelines under the supervision of the ITS Regional Center Support Team (RCST). ITS management believes that this mitigation method is the most effective and efficient way of addressing critical, time sensitive issues without being too disruptive to the learning process.

Another vital tool in managing technology related issues is the HEAT work-order control application that has been used throughout the District for some time now to report to ITS instances of IT network and computer and peripheral equipment malfunction at the sites. Adopting the HEAT system is critical to ensuring that issues are reviewed and resolved in a timely manner. ITS has provided training to all SBTs on how to properly administer HEAT work orders and is working with individual schools to provide training for staff on how to initiate service requests. By monitoring individual, school-site HEAT work-order queues, the ITS Regional Center Support Teams will be able to provide assistance where it is needed most by prioritizing technical resources to those areas.

Regarding further assistance to school sites, ITS will work with schools, and the principal, when schools are not granted the personnel required to keep procedures and equipment up to the standard required. Principals will notify issues through the HEAT process. These procedures will be reviewed with all school principals.

Person(s) Responsible:

Region I and IV Administration

Management Response:

The School Based Technician Model was passed at the June 17, 2009 School Board Meeting. As a result of D-26, all School Based Technicians (SBTs) comprised of Computer Specialists, Microsystems Technicians and Computer Technicians are now realigned under Information Technology Services (ITS). Therefore technology resources are no longer school based and are now part of what is referred to as the Centralized Technology Support Model. ITS provides services through the personnel in their area. Due to this model, personnel and monitoring concerns should be directed to ITS.

Person(s) Responsible:

District/School Operations

Management Response:

District/School Operations has reviewed the audit exceptions cited for IT Audits at selected schools Barbara Goleman Senior High and Felix Varela Senior High School. To facilitate preventive measures as it relates to School Based Technicians (SBT's) services required IT controls and practices compliance, District/School Operations Money Matters Support Program will provide information on IT Security, controls and new procedures.

District/School Operations will continue to work with staff from the regions to promote sound business practices.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2009, on the cash basis of accounting;
- evaluate compliance by the schools 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 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 internal funds operations during the period of July 1, 2008 through June 30, 2009, payroll, purchasing credit card transactions, and information technology controls included current periods. Title I Program expenditures and procedures were reviewed for the 2008-2009 fiscal year. FTE audits covered the October 2009 survey period two (2) or three (3), depending when the school was 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 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 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, 2009 was 1.29%.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- ◆ Each school administers their 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, 2009, the MDCPS-Money Market Pool Fund's interest rate was 1.29%.

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.

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 check advices changed in 2009. Customarily, paper checks and check advices would be distributed at sites throughout the District by Treasury Management. Effective with the pay period which ended on March 5, 2009, *the district has changed payroll check distribution procedures in order to eliminate paper checks and check advices as a cost saving measure.* Employees who receive paper checks at the sites were requested to enroll in direct deposit for all payroll-related payments. Those employees who received check advices at the sites 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, it has not been fully implemented, pending those employees who have not signed for direct deposit at this time.

PROPERTY

At MDCPS, 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. Accordingly, our office conducts yearly inventories at each school of all property items with an individual value of \$1,000 or more, the results of which are reported herein.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

At the schools, principals administer the purchasing credit card program, which must comply with the guidelines established in the *Purchasing Credit Card Program Policies & Procedures Manual*.

The P-card program was designed to streamline the acquisition process by enabling employees at the schools to make small dollar purchases (less than \$1,000 per individual transaction) for materials and supplies. The program is managed by the Office of the Controller.

- *The P-Card Program enables schools to make small purchases of less than \$1,000 per individual transaction for materials and supplies*
- *It expedites the procurement process at the schools.*

TITLE I PROGRAM

Schools 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 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 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 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, principals administer Title I programs with oversight from the Regional Centers, under the overall direction of Title I Administration Office.

To promote school wide 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 effective February 2007.

FULL-TIME EQUIVALENT (FTE)

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

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

Schools 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.

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. These audits are conducted every three years.

The results of these surveys are FTE reports which allow schools to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2009-2010 FY, months selected by the FDOE for these surveys are as follows:

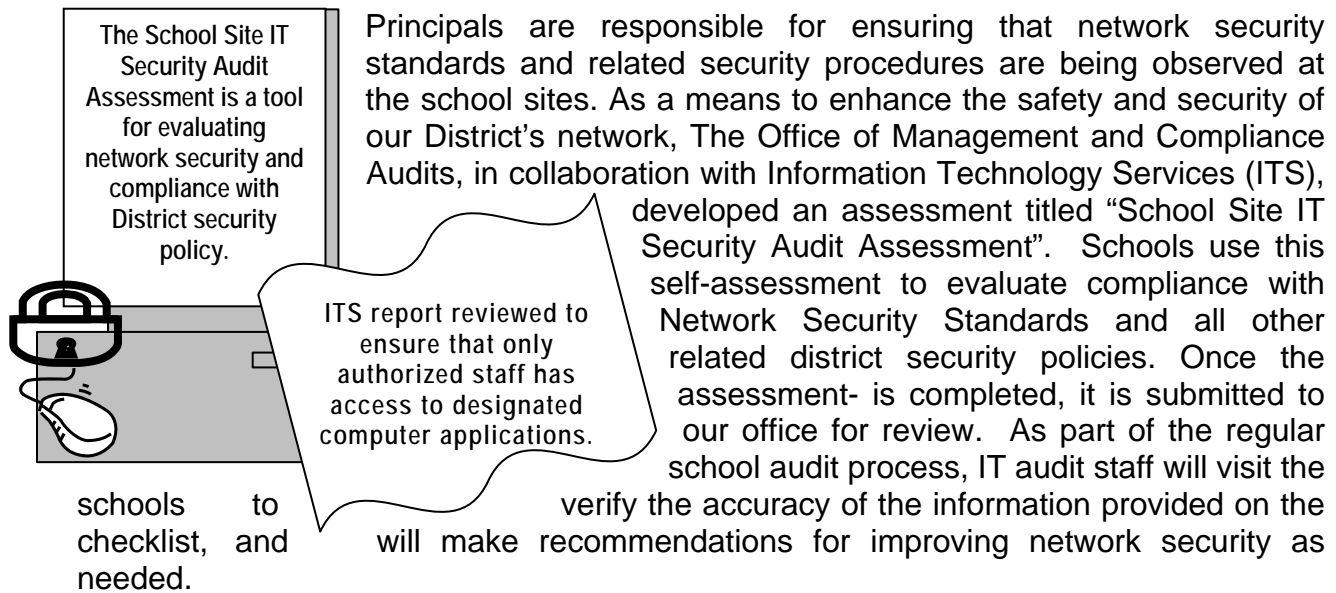
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

Schools 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.

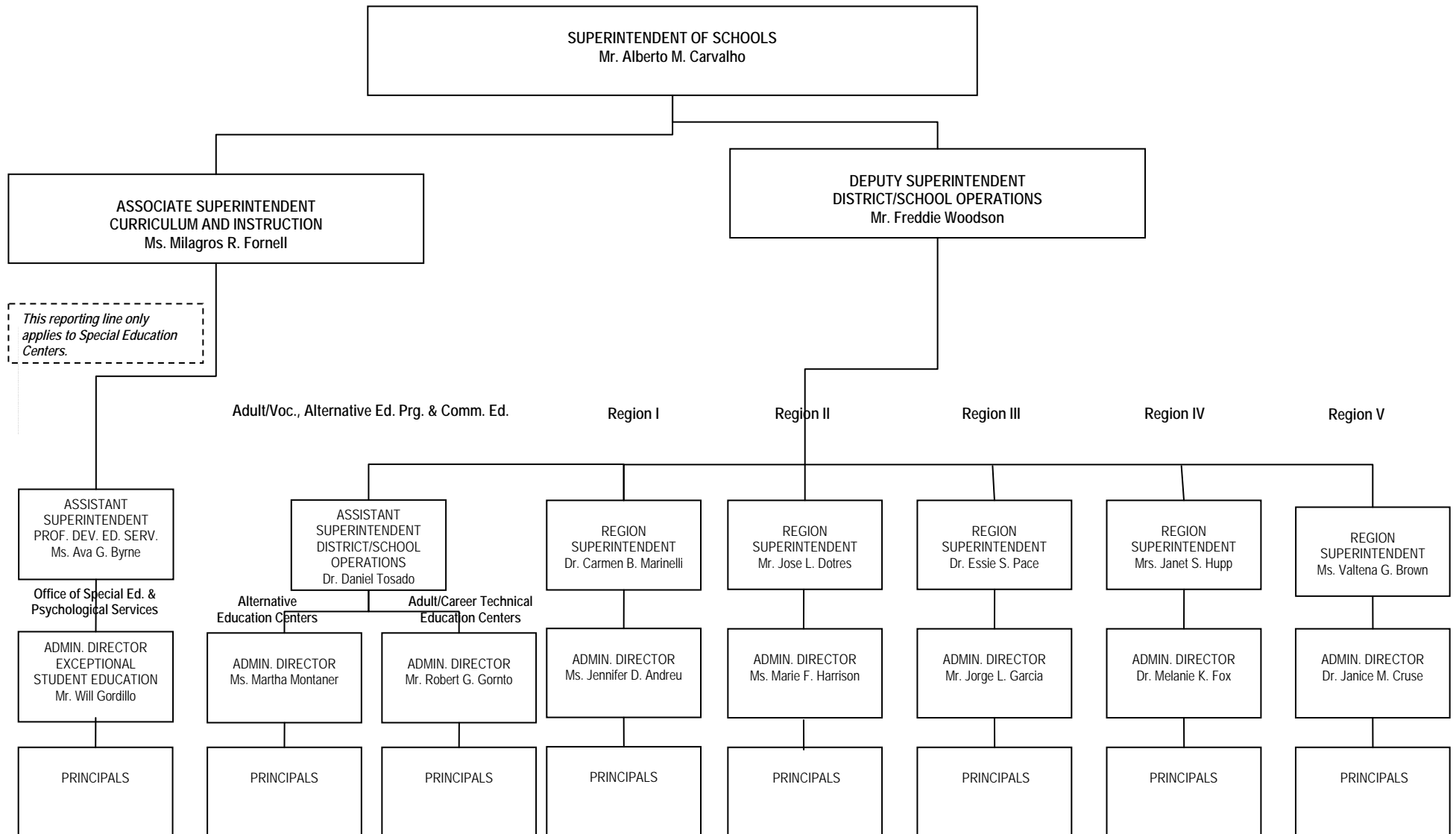
As of the 2007-2008 fiscal year, FTE audits have been incorporated as part of the school audits routinely performed by the Office of Management and Compliance Audits. FTE audits are conducted at selected schools based on audit criteria developed by this office.

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY ASSESSMENT



Principals are also responsible for 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.

PARTIAL ORGANIZATIONAL CHART



APPENDIX


MANAGEMENT'S RESPONSES

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 11, 2010

TO: Mr. Jose Dotes, Regional Superintendent
Region Center II

FROM: Luis A. Bello, Principal
Aventura Waterways K-8 Center 

SUBJECT: AVENTURA WATERWAY K-8 CENTER AUDIT RESPONSE FOR THE 2008-2009
FISCAL YEAR

The following is a response to relevant findings in the school audit report of Aventura Waterways K-8 Center for July 1, 2008 through June 30, 2009.

1.1 Ensure that all SPED folders contain current IEP/EP's and Matrix of Services forms which have been properly completed, reviewed and updated

Management Response: In order to prevent the recurrence of similar conditions in future audits and to ensure that strict compliance is maintained with policies and procedures regarding the maintenance of Special Education student records, the following corrective and preventive action plan has been implemented.

- The principal will assume an active role in monitoring all SPED student folders for accuracy and in order to ensure that SPED folders are in full compliance with the guidelines established by the State of Florida, Department of Education and the District.
- The principal, assistant principal, SPED chairperson and registrar reviewed the *Local Education Agency (LEA) Implementation Guide*, and the *Matrix of Services Handbook 2004 Revised Edition*, requirements to ensure strict adherence to the established procedures for the maintenance of SPED folders, to include documents relevant to FTE funding.
- The principal held a SPED compliance meeting where notations were reviewed with all SPED staff. Copies of notations were disseminated to appropriate staff.
- The assistant principal and the SPED department chairperson will work with SPED teachers to ensure that the cumulative records of all SPED students are in compliance using the SPED Cumulative Record Checklist (FM-7069).
- The principal met with the assistant principal, registrar and SPED chairperson and instructed a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper IEP/EP documentation, and ensure that proper services are provided through the utilization of the Regional Center II generated Check list
- Furthermore, the registrar and SPED chairperson will ensure that the PF17 screen correlates with the matrix score as indicated on the Matrix of Services form to confirm review of SPED cumulative folders.
- The principal and the assistant principal will review the log and checklist for accuracy.
- The principal will establish a procedure to conduct quarterly mini-reviews of Special Education cumulative folders.
- The principal, assistant principal, SPED chair and registrar will attend all LEA compliance, Matrix of Service and IEP workshops/trainings as scheduled by the region/district.
- The principal will request additional collaboration from District and Region SPED personnel to bi-annually review samples of school site SPED/Gifted cumulative folders. The assistant principal, SPED chairperson and registrar will correct any discrepancies, if any, before scheduled audit reviews.
- The Principal established a protocol to follow in order to expeditiously receive answers to any future questions or concerns regarding SPED/Gifted issues.

If you have any additional questions, please contact me directly at (305) 933-5204.


Cc: Ms. Marie F. Harrison
Mr. Paul Greenfield

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 15, 2010

TO: Mr. Jose L. Dotres, Region Superintendent
Region II

FROM: Dr. Dianne W. Jones, Principal 
Myrtle Grove Elementary School #3581

SUBJECT: MYRTLE GROVE ELEMENTARY SCHOOL AUDIT RESPONSE FOR THE 2008-2009 FISCAL YEAR

The cited audit findings for the period of July 1, 2008 through June 30, 2009 have been carefully reviewed by the principal. As a result, the Principal has established action plans comprised of definite strategies to implement in order to prevent recurrence.

- 1.1. Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After school Care program collections.
- 1.2. Ensure that proper procedures for the preparation and maintenance of the Before/After School Care Program records and reports.
- 1.3. Periodically review the attendance and payment records to ensure their completeness and accuracy.
- 1.4. Continue efforts to collect outstanding balances from students who attend the program but did not pay.

The Principal reviewed with the new Program Manager and Program Secretaries, *Section II, Chapter 2 of the Manual of Internal Fund Accounting* which establishes the procedures over the collection of money at the schools and the *Community School Procedures Manual* which provides procedural guidelines over the management and recordkeeping of Community School and Before/After School Care Program records.

The Principal and Program Manager developed a systematic plan for receipting and depositing Before/After School Program collections. The plan includes procedures for recording payments on the proper forms, utilizing official receipts, submitting monies to the school treasurer, or back-up designee the day of collection, depositing funds in a timely manner, and enforcement of collection of fees for services rendered.

The principal instructed the Program Manager to ensure that the student attendance rosters are properly completed and maintained on file as part of the documentation for the program.

The Principal made certain that students whose payments were not up-to-date were not allowed to continue in the Before/After School Program.

The Principal has devised a list of students with outstanding balances that attended the Before/After Care School program and is continuing the efforts to retrieve these funds.

The principal will conduct in-house mini-reviews of the attendance and payment records as well as all aspects of record keeping for the Before/After School Care Program to ensure completeness, accuracy, and compliance on a monthly basis.

Should you require additional information, please call me at (305) 624-4751.


cc: Dr. Kamela Patton
Marie Harrison

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 15, 2010

TO: Mr. Jose Dotres, Region Superintendent
Region 2

FROM: Carmen Jones-Carey, Principal 
Horace Mann Middle School

SUBJECT: HORACE MANN RESPONSE TO SCHOOL AUDIT REPORT FOR THE 2008-2009
FISCAL SCHOOL YEAR

The following is a response to the relevant findings in the school audit report of Horace Mann Middle School for fiscal year July 1, 2008- June 30, 2009.

- 1.1 Finalize relocation of network equipment to provide suitable protection from environmental hazards as well as adequate security.
- 1.2 Ensure that areas where computer equipment is accessible to students are secure and supervised.
- 1.3 Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and Continued adherence to MDCPS network Security Standards.

The principal held a meeting with the assistant principal and the school-based technician to review the findings and develop a monthly monitoring plan. The principal reviewed the IT guidelines set forth by the Miami-Dade County Public School's *Network Security Standards Handbook* and shared this information with the administrative team and the school-based technician. Expectations and responsibilities were delineated and emphasized to ensure network security and adherence to Miami-Dade County Public School's network security standards.

The principal, assistant principal, and school-based technician, along with assistance from ITS staff, have identified an alternate location for the server room which is secure and better suited for the server equipment.

The principal reviewed the *School Site IT Security Assessment* with the assistant principal and the school-based technician at the scheduled monthly meetings and together, will conduct a self-assessment and walk-through to ensure that items specified as "yes" on the report are accurate.

The principal will require that computer labs remain locked at all times for security purposes. A system has been devised wherein teachers will gain access to the computer labs through the security monitor stationed in designated hallways.

All computer lab equipment will be inventoried and kept on file by the Magnet Lead Teacher. Classroom teachers will be required to sign-in and sign – out for equipment needed for their students.

The computer located in the waiting area of the new building administrative office has been removed for security purposes.

The magnet lead teacher developed a checklist with the principal to enable a thorough walk through in each lab every morning before school to monitor the equipment and identify any broken and/or damaged equipment. The principals or assistant principal (designee) will perform this duty in the absence of the magnet lead teacher.

APPENDIX-MANAGEMENT'S RESPONSE

Teachers will be reminded verbally, and in writing of the importance of reporting damaged and/or broken equipment immediately to the school-based technician. A form will be developed and housed in each lab to expedite the reporting process.

Please feel free to contact me at (305) 751-4121 should you have any additional questions.

cc: Marie F. Harrison
Lourdes P. Gimenez

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 15, 2010
ML/09-10 #019

TO: Mr. Jose L. Dotres, Region II Superintendent
Miami-Dade County Public Schools

FROM: Mr. Michael A. Lewis, Principal *ML*
North Miami Senior High School

SUBJECT: NORTH MIAMI SENIOR HIGH AUDIT RESPONSE FOR THE 2008-2009 FISCAL YEAR

Please be advised that the following is a response to the findings of the Internal Audit Report for North Miami Senior High School during the 2009-2010 school year. The cited 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.

- 1.1 Discuss the procedures with staff for understanding and awareness of the requirements.
- 1.2 Prior to authorizing a disbursement, ensure that it is appropriate under the sponsoring account's guideline and restrictions.
- 1.3 Review any inactive accounts to determine the future use of the funds, and obtain proper approvals prior to spending or transferring the funds to other accounts or to the Internal Funds-General Fund of the school.
- 1.4 Ensure that donations earmarked for specific purposes are properly documented and spent as intended by the donor.

In order to prevent the reoccurrence of similar conditions and to ensure strict compliance to district procedures as outlined in the *Manual of Internal Fund Accounting*, the following corrective and preventive measures will ensue:

The Principal met with the Administrative Team, School Treasurer and reviewed Section III, Chapter 3 of the *Manual of Internal Fund Accounting* which establishes the guidelines for expending funds of Class and Club accounts, outlines procedures to follow prior to spending or transferring funds in Inactive accounts and describes proper documentation and expenditures of donations.

The Principal, Vice-Principal, and School Treasurer have identified all active and inactive accounts, met with Class and Club Sponsors who manage said accounts, and established a set of procedure to ensure that all expenditures are appropriate under each sponsoring accounts' guidelines and restrictions prior to further processing. These procedures included strict adherence to policies regarding inactive accounts, transferring funds from one account to another, donation procedures and disbursements of funds.

In order to ensure that all expenditures are appropriate under each sponsoring accounts' guidelines and restrictions they will be reviewed, by Class and Club Sponsors, the School Treasurer, the Vice-Principal and finally the Principal before processing.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all types of expenditures made and transfers of Funds between accounts are compliant with Internal Funds Policies.

- 2.1 Review the Fund 9 guidelines with staff for awareness and understanding of purchases allowed through Fund 9, and refrain from making any purchases not allowed through the Fund 9 account.
- 2.2 Discuss with the EESAC Committee the types of purchases allowed to be made through the Internal Funds of the school.

APPENDIX-MANAGEMENT'S RESPONSE

- 2.3 Any financial decisions related to out-of-county/out-of-state travel of students must be planned with the EESAC Committee in advance to ensure that the proper procurement channels are utilized.
- 2.4 Transfer to a Trust Fund account the amount of EESAC funds approved by the EESAC Committee to cover any purchases related to student hospitality and incentives.

The Principal met with the Administrative Team, School Treasurer and reviewed the *Resource Guide for Effective EESAC Implementation Manual* and Section III, Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using the instructional Material and Supplies (Fund 9) Account.

The Principal and Assistant Principal met with the School Treasurer to establish and implement a set of procedures to follow ensuring that all expenditures are appropriate under Fund 9 guidelines prior to further processing.

The Principal and School Treasurer will provide training to the EESAC Committee on the newly implemented procedures with specific attention paid to the types of purchases allowed to be made through the Internal Funds of the school.

The Principal, EESAC Chair, and Treasurer will establish and implement a protocol for EESAC funds transferred to a Trust Fund Account in compliance with the *Resource Guide for Effective EESAC Implementation Manual*. The Principal will also implement a protocol for expending EESAC funds for out-of-county/out-of-state travel of students in advance to ensure that the proper procurement channels are utilized. All EESAC expenditures will be reviewed by the Principal, and EESAC Chair at the required monthly EESAC Meeting.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all types of expenditures processed through the Instructional Materials and Supplies (FUND 9) Account are compliant with Fund 9 guidelines.

- 3.1 Discuss with the Activities Department, Club sponsors and staff that no disbursement is to be made from cash collections; and discourage the purchase of cashier's check to pay vendors.
- 3.2 Immediately discontinue any fundraiser or school/student activity where expenses are being paid from cash collections, or where the vendor requires advanced payment in full.
- 3.3 In the case of the doughnut sale, discontinue the activity, as it does not comply with the District Wellness policy.
- 3.4 Strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.
- 3.5 Strengthen controls over the disbursement function to ensure that disbursements are made according to the timelines, and that the supporting documentation is complete, appropriate, and filed.

The Principal met with the Administrative Team, School Treasurer and Activities Director and reviewed the *District's Wellness Policy* regarding sales of healthy food items, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establishing policies and procedures for making and documenting disbursements and Section V, Chapter II which requires that all financial records be retained for audit purposes.

The Principal, and Vice-Principal, met with the Activities Director and School Treasurer to establish the fact that future use of cash collections or cashier's checks to pay vendors is strictly prohibited. This also prohibits continuing any fundraiser or school activity being paid from cash collections where a vendor requires payment in full.

A cease and desist order was immediately issued by the Principal to all Coaches, Class and Club Sponsors for food product sales that do not comport with the *District's Wellness Policy*.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal met with the Vice-Principal and School Treasurer to establish a set of procedures regarding the disbursement function to ensure that disbursements are made according to the timelines and supporting documentation is complete, appropriate and filed.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that all the disbursement functions are compliant with disbursement guidelines according to the *Manual of Internal Fund Accounting*.

- 4.1 Ensure that accounts have available funds before authorizing expenditures.
- 4.2 Monitor Trust Fund account balances periodically to prevent deficit balances, and make transfers of funds as needed and as allowed by the guidelines to eliminate/prevent any deficits.

The Principal met with the administrative team, School Treasurer and reviewed Section III, Chapter 4 of the *Manual of Internal Fund Accounting* which strictly prohibits Trust Fund Accounts from closing the year with deficits balances.

The Principal, Vice-Principal, and School Treasurer have identified all Trust Fund Accounts, and reviewed all past, current, and forecasted expenditures in order to assure strict adherence to the requirements set forth in Section III, Chapter 4 of the *Manual of Internal Fund Accounting*.

The Principal, Vice-principal and School Treasurer established and implemented a set of procedures whereby all future disbursements from Trust Accounts are scrutinized by the School Treasurer, Vice-Principal, and finally the Principal, in that order, to ensure that all expenditures are appropriate under each sponsoring Trust Accounts prior to further processing.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that General Fund revenues are used to cover negative expenditures associated with athletic activities and that all Trust Funds accounts end the year with a positive balance.

- 5.1 Strengthen controls over the safeguarding of student cumulative folders.
- 5.2 Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have properly completed, reviewed and updated.

The Principal met with the Administrative Team, the SPED Chairperson and the SPED Program Specialist and thoroughly reviewed Section D of the *Local Education Agency (LEA) Implementation Guide* and *FLDOE Matrix of Services Handbook* and *The Matrix of Services form (FM-5582)* to ensure strict adherence to the established procedures for the maintenance and safeguarding of SPED students' cumulative folders, and their associated electronic records.

The Principal and Vice-Principal will meet with the Registrar, SPED Chairperson, and SPED Program Specialist and authorize a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper IEP/EP documentation and ensure that proper services are provided through the utilization of regional Center II Check list. The review will include, but not be limited to, proper mathematical calculation of the matrix, ensuring that related services are indicated on the matrix, dates are accurate and completely written out, and that IEPs and EPs remain current and are not allowed to expire. The Registrar and SPED Chairperson will create a checklist to utilize to ensure that all SPED cumulative folders have been reviewed and meet compliance and that the PF 17 screen correlates with the Matrix of Services form. The Principal and Vice-Principal over SPED will then review the log and checklist for accuracy.

The Principal, Assistant Principal over SPED, Registrar and SPED Chairperson will attend all LEA compliance, Matrix of Service and IEP workshops/training as scheduled by the region/district. This will provide required training to assure compliance with SPED related issues.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that no discrepancies exist in SPED records utilizing *the Local Education Agency (LEA) Implementation Guide* and *FLDOE Matrix of Services Handbook*.

- 6.1 Strengthen controls over the safeguarding of student cumulative folders.
- 6.2 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate, complete, and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

The Principal met with the Vice-Principal, Assistant Principal over the ELL Program, and ELL Chairperson reviewed the guidelines and procedures for maintaining ELL students' information memoranda from the *Division of Bilingual Education and World Languages* and also the *District ELL Plan* which establishes procedures for the maintenance and safeguarding of ELL students cumulative folders.

The Principal instructed the Assistant Principal over the ELL Program, School Registrar, and the ELL Chairperson to review all incoming cumulative folders for accuracy and review the "J" screen to assure that all information is updated in a timely manner.

The Principal, Vice-principal and ELL Chairperson established and implemented a set of procedures whereby all future ELL student's records are checked for accuracy as they arrive at the school.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that no discrepancies exist in ELL records utilizing the information from the *Division of Bilingual Education and World Languages* and also the *District ELL Plan*.

If additional information is required, please contact me directly at (305) 891-6590.


CC: Marie Harrison

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 16, 2010

TO: Dr. Essie Pace, Region Superintendent
North Center Region III

FROM: Henry N. Crawford, Jr., Principal 
Charles R. Drew Middle School

SUBJECT: CHARLES R. DREW MIDDLE SCHOOL AUDIT RESPONSE FOR
THE 2008-2009 FISCAL YEAR

The Principal has carefully reviewed the findings cited in the Internal Funds Audit Report for the 2008-2009 fiscal year. The Principal thoroughly reviewed and discussed **Section II, Chapter 3 of the Manual of Internal Fund Accounting** which establishes the procedures for depositing collections and **Section IV, Chapter 2 of the Manual of Internal fund Accounting** which establishes that school-sponsored fundraising activities must be accounted for in the school's internal funds with the appropriate personnel to include the Assistant Principal/s, Treasurer, Activities Director and Payroll Secretary. As a result, the Principal has established an action plan comprised of definite strategies to implement in order to prevent future recurrences.

Inadequate controls over Receipts and Deposits

1.1 Strengthen the controls over the safeguarding of funds.

The Principal instructed the Treasurer to secure all daily deposits in the safe, which has been relocated to the school vault before leaving the office. Accessibility to the safe will be limited to the principal and treasurer. The Principal will verify the funds by reviewing Collections/Deposits Log form and be notified at the time that daily deposits will be made.

1.2 Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.

1.3 Strengthen the review and oversight over the receipting and collection functions to ensure that monies are timely receipted, deposited and properly recorded.

1.4 Ensure that the Collections/Deposits Log (FM-7429) is utilized to document those deposit packages awaiting the armored care pickup service.

The Principal met with the Treasurer and reviewed the procedures which require that reports awaiting the armored car pickup be logged on the Collections/Deposit Log form (FM-7249). To ensure the security of collections awaiting deposit, the principal will review the deposit packages and the form before placing in the school vault.

School-Sponsored Activities Non-Compliant With Guidelines

2.1 Discuss and reinforce with staff, parents, and the community, the procedures relative to fieldtrips, fundraising, and solicitation of funds, as well as accounting for these activities through the internal funds of the school.

2.2 Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports and Fundraising Activities Log.

2.3 Review the guidelines related to school pictures and yearbook activities with staff for awareness and understanding of the requirement; and strengthen review over these activities to ensure compliance with the requirements.

APPENDIX-MANAGEMENT'S RESPONSE

The Principal met with the Treasurer, Assistant Principal/s and Activities Director to review audit findings and Section IV, Chapter 4 of the *Manual of Internal Fund Accounting* in order to ensure that the identified aspects of fiscal management are properly maintained and to utilize the Collections/Deposit Log form (FM-7249) to document deposit packages awaiting the armored car pickup service. The Principal will review bi-weekly all receipts and deposits documents to ensure they are completed properly and in a timely manner.

The Principal met with yearbook sponsor to review the guidelines related to school pictures and yearbook activities as they relate to Section IV, Chapter 4 of the *Manual of Internal Fund Accounting*. The Principal reviewed with the faculty and staff, School Board Rule 6Gx13-1C-1.10 which prohibits students or staff from soliciting funds from the public in the name of the school without the approval of the Principal and the Region Superintendent. The Principal has scheduled to meet with the Yearbook Sponsor, Treasurer and Assistant Principal monthly to ascertain the financial status of the yearbook fundraising activities, the yearbook sales campaign. The Principal will review all bid documentation required for school pictures, yearbook and addenda to a bid, including but not limited to, the student Activity Operating Reports and any complimentary lists.

Inaccurate Reporting and Documenting of Payroll

3.1 Review payroll procedures with school staff and administration, particularly as it relates to payroll reporting and recordkeeping.

3.2 Strengthen the supervision over the payroll function and the review of the payroll records.

The Principal reviewed the *Payroll Processing Procedures Manual* with the Payroll Secretary and Assistant Principal focusing upon the procedures to document leaves, the reporting of substitutes and the process to approve payroll.

A system has been established to record time and attendance for all for the review of the Daily Payroll Attendance Sheet by both the Payroll Secretary and the Assistant Principal to ensure that all employees sign in/out on a daily basis and proper notations to document absences are recorded. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis. The Principal instructed the Assistant Principal to carefully review the daily payroll reporting of substitutes. Ensure the name of the absent teacher is recorded, the time reported for the substitute (i.e. half day or full day) matches that of the absent teacher, substitutes are accurately reported for each absent teacher including employee number and is not reported for a teacher who is present. The Principal instructed the Assistant Principal to immediately report any discrepancies in the reporting of payroll for substitutes to the Payroll Secretary for correction on a daily basis.

As a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty, emphasizing the sign in/out procedures, completion of leave cards and the submission of temporary duty forms. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be obtained and kept on file.

Inaccurate Oversight of Before/After School Care Program Located at Paul L. Dunbar Elementary School Satellite

4.1 Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After School Care Program collections.

4.2. Ensure that proper procedure for the preparation and maintenance of Before/After School Care Program records and reports.

4.3. Periodically review the attendance and payment records to ensure their completeness and accuracy.

4.4. Strengthen review of student registration cards and attendance records.

APPENDIX-MANAGEMENT'S RESPONSE

4.5. Strengthen controls over agency reimbursements to prevent loss of revenue.

The Principal met with the Community School Assistant Principal, Program Manager and Community School Specialist to review the guidelines established in the Community School Procedures Manual for Managing Community School Before/After School Care Programs. Additionally, a meeting with staff of the Before/After School Care Program has been scheduled to further review preparation and maintenance of recording and reporting after care data.

To further assess compliance with guidelines established in the Community School Procedures Manual, all satellite programs will undergo periodic reviews by the Program Manager and Community Assistant School Principal to ensure compliance with policies and procedures regarding but not limited to, registration cards, participant attendance, receipting and deposit records for accuracy. Any anomalies will be corrected immediately.

The Principal met with the Community School Assistant Principal and the Program Manager to review the procedures on reporting to the child care agency subsidizing a portion of the child care fee. The Principal will review the report monthly to ensure accuracy and to ensure that the reimbursement documentation is submitted in a timely manner.

Title I Account Balance Improperly Monitored and Payroll Expenditures Improperly Documented

5.1 The school should develop appropriate spending plans for the Title I Programs in order to maximize their use. Consequently, hourly accounts should be monitored periodically to ensure that established budgets are not exceeded and request budget transfers, as needed, to cover hourly payroll expenditures.

5.2 Review work schedules and duties of staff funded with Title I programs to ensure that proper funding sources are being used to cover payroll expenditures.

The Principal has established a projected plan of expenditures to avoid negative balances at the end of the year and minimize budget transfers. The Principal has established a system to properly monitor all Title I expenditures through COGNOS on a monthly basis with the Assistant Principal and Treasurer.

The Principal will review Circular A-87 Payroll Certification Reports and Payroll to ensure that only personnel hired and providing services under Title I are authorized and paid with Title I funds. This report will be reviewed by the assistant principal and approved by the principal. Subsequently, the Assistant Principal will review and monitor work schedules and duties of staff on a monthly basis funded with Title I programs to ensure that proper funding sources are being used to cover payroll expenditures.

Community Involvement Specialist (CIS) Duties Non-Complaint With Home Visitation And Recordkeeping Requirements

6.1 Review the responsibilities of the Community Involvement Specialist with the appropriate staff to ensure an understanding of their duties and responsibilities.

6.2 Periodically meet with the CIS to monitor schedule of assignment and ensure that proper coverage of parental activities and home visitations is taking place.

6.3 Review Parental Involvement Monthly School Reports and ensure that information is properly documented.

The Principal met with the Assistant Principal and Community Involvement Specialist (CIS) to review orally and in writing the responsibilities of the CIS and to ensure there is an understanding of the weekly assignments to ensure proper coverage of parental activities and home visits are taking place and duties and responsibilities associated with the position. The CIS will be provided a written outline of their responsibilities. An acknowledged copy of the CIS responsibilities will be kept on file.

The Assistant Principal will monitor the Home Visitation Log and the Parent Activities Report on a weekly basis to ensure the CIS is documenting the required information. The Principal will meet with the CIS to review and sign the Monthly Activity Report and the Monthly School Report to ensure compliance prior to submission to Title I Administration.

APPENDIX-MANAGEMENT'S RESPONSE

Inadequate Recording of Professional Development Activities Conducted and Attended by the Title I Reading Coach

7.1 Discuss the documentation requirements with the incoming Reading Coach for understanding and awareness of the requirements.

The Principal met with the Reading Coach and Assistant Principal to review the guidelines outlined in the *Title I Administration Handbook* as they pertain to the job description of Reading Coaches and the responsibilities vested with the position. The Reading Coach was provided in writing their respective responsibilities related to professional development, coaching and conferencing, student assessment managing reading materials and related activities. A copy with acknowledgement is on file.

Additionally, the principal provided the Reading Coach written documentation of the responsibilities of the Reading coach to maintain agendas and sign-in sheets for workshops conducted and/or attended by the Reading Coach. These documents will be reviewed on a monthly basis with the Assistant Principal and Principal.

PLANT SECURITY REPORTS

Charles Drew Middle School has been the subject of five break-ins and robberies from June 2008 through September 2009. Plant Security Reports have been filed in each case, however the loss sustained at the school is at a cost value of \$27,554 with a book value of \$17,613. The principal met with custodial personnel to review the process of properly securing the building at the end of the day and setting the alarm. He has also worked with Region III and Plant Operations to ensure security cameras are in proper working order and the video equipment is operational. He has also requested the changing of locks for the areas of the building determined to be "High Security" where equipment and materials are stored.

Should you have any questions or need further clarification, please contact me directly at 305-633-6057.


cc: Mr. Jorge L. Garcia
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 17, 2010

TO: Dr. Essie S. Pace, Region Superintendent
Region III

FROM: Charles Hankerson, Principal 
Miami Northwestern Senior High School

SUBJECT: MIAMI NORTHWESTERN SENIOR HIGH SCHOOL AUDIT RESPONSE
FOR THE 2008-09 FISCAL YEAR

The cited audit findings for the period of July 1, 2008 through June 30, 2009 have been carefully reviewed by the Principal. As a result, the Principal has established an action plan comprised of definite strategies to implement in order to prevent recurrence.

Inadequate Controls over Athletic Fund Balance and Athletic Ticket Inventory

- 1.1 Frequently monitor Athletic Fund balances and make transfers of funds as needed and as allowed by the Internal Fund guidelines to prevent deficit balances.**
- 1.2 Review with staff the procedures for the sale of athletic tickets and strengthen the procedures to safeguard athletic activity records and preparation of athletic inventory and reconciliation of ticket sales.**
- 1.3 Periodically meet with the Athletic Business Manager and the Treasurer to discuss and review the Athletic Fund activity, the game reports and the associated deposits.**

The principal thoroughly discussed the audit findings pertaining to Inadequate Controls over Athletic Fund and Balance and Athletic Ticket Inventory with the Assistant Principal, Athletic Business Manager, Treasurer and Athletic Director. Additionally, Section III Chapter 1 of the Manual of Internal Accounting Pertaining to athletic program expenditures was reviewed.

The Principal established procedures to have the activity record report completed, receipts from athletic ticket sales reconciled and inventory of tickets verified at the conclusion of each event. These established procedures were distributed to the Athletic Business Manager, Treasurer and Assistant Principals

The Principal will monitor these reports on a bi-weekly basis with the Treasurer and the Athletic Business Manager to ensure accountability and reliability of the reconciliation reported from athletic events. Any anomalies will be corrected immediately.

All unused athletic tickets will be kept by the Athletic Business Manager who will maintain an inventory for review monthly by the Principal and Treasurer. The end of year inventory report will be presented, with the tickets for review and secured for the beginning of the following school year.

The Principal, Treasurer, Assistant Principal, Athletic Director and Athletic Business Manager will reconcile ticket sales and revenues as indicated on the game reports and the associated deposits to ensure accuracy on the next business day for all games with ticket sales exceeding one thousand dollars.

The Principal will review all ticket orders for authenticity and guideline protocols as outlined in the Manual of Internal Funds Accounting. The Principal will meet with all coaches and club sponsors regarding policies and procedures for the utilization of tickets for events. Additionally, the monthly monitoring of funds in respective accounts was reviewed to ensure positive account balances by year's end. Fund transfers processed as appropriate and allowable

Should you have any questions or need further clarification, please contact me directly at 305-836-0991.

cc: Mr. Jorge L. Garcia
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 11, 2010

TO: Mrs. Valena G. Brown, Region Superintendent
Region V

FROM: Fred M. Albion, Principal *FMA*
Coral Reef Elementary School

SUBJECT: CORAL REEF ELEMENTARY SCHOOL RESPONSE TO SCHOOL AUDIT
REPORT FOR THE 2008-2009 FISCAL YEAR

The following is a response to relevant findings in the school audit report of Coral Reef Elementary School. A management plan has been devised and implemented to address the recommendations listed below.

1.1 Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.

In order to ensure that the cumulative folders for all SPED students are properly maintained and the Matrix of Services forms are completed, reviewed, and updated in compliance with guidelines established by the Florida Department of Education, the principal implemented the following corrective actions and preventive strategies with regard to maintenance of student SPED records.

The principal directed the registrar and the receiving SPED teacher to review all incoming cumulative student records for accuracy and proper documentation in accordance with School Board Rule 6Gx13-5B-1.07- Student Education Records and to ensure that the PF17 screen documents correlate to the Matrix score indicated in the IEP. All incoming SPED cumulative records are forwarded to the assistant principal for further review and the acquisition of missing documents. The principal is notified in writing of any missing or non-compliant records. All non-compliant documents are corrected appropriately and immediately after a final review by the principal.

The principal directed the assistant principal and the appointed SPED teacher to work as a team and review cumulative records with focused attention to the Matrix of Services forms with levels of 254 or 255.

The team will work with all other SPED teachers to ensure that the cumulative records of SPED students are in compliance utilizing the SPED Program Standards Review (FM-7069) and kept for reference by the assistant principal on the team.

The team will conduct a mini self-audit of selected cumulative records for students with disabilities for compliance using the SPED Program Standards Review (FM-7069) before each F.T.E. period.

In addition, at every Individual Education Plan (IEP) Review the aforementioned appointed SPED teacher and the program/staffing specialist at the Initial Staffing for SPED students will complete the SPED Program Standards Review (FM-7069) form to assure accuracy and submit it to the principal or the designee for review. This form will be kept on file.

Upon completion of an IEP, a review and/or update of the Matrix of Services will be conducted and the review team and registrar will ensure that all information is accurately entered into ISIS system and that a hard copy is kept for reference.

The SPED Services Data Input Sheet (FM-6487) will be accurately completed at all meetings and given

APPENDIX-MANAGEMENT'S RESPONSE

to the review team. The team will review the SPED Services Data Sheet and will forward it to the registrar for recording purposes.

A Data Input Log Book will be maintained by the registrar to ensure that all SPED Services Data Input Sheet information is inputted accurately and in a timely manner. A printout of the screen displaying data entered will be attached and submitted to the principal or designee for review and filed in the Data Input Log Book for future reference. The principal will randomly monitor and review a percentage of SPED records on a quarterly basis.

On the comment section of the SPED Program Standards Review (FM- 7069) form, a line indicating a review of the EASY IEP on line system will be added to assure that all incoming and annual IEP's have been correctly input in the system.

If you have any further questions, please contact me.


Cc: Dr. Daniel Tosado
Dr. Janice Cruse-Sanchez
Mr. Will Gordillo
Ms. Cynthia Gracia
Ms. Ava Byrne

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 11, 2010

TO: Mrs. Valtena G. Brown, Region Superintendent
Region V

FROM: Kelli R. Hunter, Principal 
Leisure City K-8 Center

SUBJECT: LEISURE CITY K-8 CENTER ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT
REPORT FOR 2008-2009 FISCAL YEAR

The following is a response to relevant findings in the school audit report of Leisure City K-8 Center.

- 1.1 The school administration should implement procedures to ensure that sealed bank statements and bank correspondence are submitted directly to the Principal for review before it is forwarded to clerical staff. In addition, the administration should implement a process for periodically reconciling the checking account and verifying checking account bank balances.
- 1.2. Ensure that staff is aware, understands and adheres to proper receipting procedures when monies come into custody of a school employee or when monies exchange hands.
- 1.3 Implement controls over the planning, approval, and execution of fundraising and student activities, and maintain an up-to-date log of activities conducted at the school. Also, discuss proper fund-raising procedures with staff and enforce the preparation of student activity operating reports, and the review and filing of such reports.

In order to prevent the recurrence of similar conditions in future audits, the Principal will implement the following corrective measures and preventive strategies to ensure compliance with Section II, Chapter 2 of the Manual of Internal Fund Accounting which establishes that the Principal is ultimately responsible for monitoring and administering the revenue generated from the Internal Fund activities.

The Principal convened a meeting with the Assistant Principals, Treasurer, Secretary, Activities Director, Club Sponsors and After School Care Manager to review the audit findings. The Principal reviewed Section II, Chapter 2 and 3 and Section IV, Chapter 2 of the Manual of Internal Fund Accounting and acquired signatures indicating receipt of documents. The Principal emphasized the section identifying proper procedures for monitoring account balances, maintaining current checkbook balance, timely postings and noting adjustments during the monthly reconciliation. The Principal directed the secretary responsible for receiving the U.S. Mail to submit the unopened Bank Statements immediately upon receipt. Bank Statements received in the U.S. Mail will be compared with on-line information to verify authenticity.

The Principal will monitor, view on-line banking and verify deposit slips weekly with the Assistant Principal and Treasurer. The Principal will monitor the checkbook balance on a weekly basis and will review the preparation of the monthly reconciliation to ensure receipt of cancelled checks and accurate timely postings. Any discrepancies will be addressed and corrected immediately.

The Principal met with the Treasurer and Assistant Principal to review the comprehensive system developed to monitor and approve all fundraising activities. The process includes submission of the Request for Fundraising Activity to the Assistant Principal for initial review prior to approval by the Principal. The request form is forwarded to the Treasurer to add to the Activities Log which indicates the beginning and end dates of the activity and the original is kept on file. A copy of the signed document is given to Club Sponsor indicating the initiating of the fundraiser.

The Assistant Principal will monitor on a weekly basis the funds submitted and the corresponding

APPENDIX-MANAGEMENT'S RESPONSE

deposits. The Assistant Principal will randomly review the Recap of Collections forms for accuracy and completeness. At the conclusion of the fundraiser, the Club Sponsor will complete the Student Activity Operating Report within one week and submit to the Treasurer. The Assistant Principal will review all documents with the Treasurer prior to final approval by the Principal. The Principal will randomly monitor this process to ensure compliance and any discrepancies will be addressed and corrected immediately.

The Principal convened a meeting with all staff members that have assumed the responsibility of collecting monies, and attended a training facilitated by the school Treasurer and Assistant Principal in charge of activities. All attending sponsors are required to attend a four hour in service that will review the requirements for fundraising described in Section IV, Chapter 2 of the **Manual of Internal Fund Accounting** and **Club Sponsor Handbook** which provides the guidelines and requirements over fundraising activities; and similarly establishes that the Principal is responsible for approving fundraising activities and overseeing that such activities comport with the guidelines. Sponsors will attend a training developed by the Principal and Treasurer that provides a comprehensive overview of the Sponsor's/Activities Director's responsibilities. The procedures for Application for Fund Raising, Internal Funds Purchase Orders, Serialized forms and Student Operating Reports will be reviewed in detail. All sponsors will be informed that recaps and receipts must be completed by the sponsor receiving the funds from the students and informed of the importance of remitting monies at the end of the day. This meeting will be documented by an agenda and sign in sheet.

Should you require further information, please contact me at (305) 247-5431.


CC: Dr. Daniel Tosado
Dr. Janice Cruse-Sanchez
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 11, 2010

TO: Mrs. Valtena G. Brown, Region Superintendant
Region V

FROM: Mr. John C. Lux, Principal 
Miami Heights Elementary

SUBJECT: MIAMI HEIGHTS ELEMENTARY SCHOOL ADMINISTRATIVE RESPONSE TO
SCHOOL AUDIT REPORT FOR 2008-2009 FISCAL YEAR

The following is a response to relevant findings in the school audit report of Miami Heights Elementary School.

IT Function At School Site Not Properly Monitored and Maintained

Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and continued adherence to MDCPS Network Security Standards.

The following corrective measures and preventive strategies have been instituted to ensure that all IT Security Standards are met.

The principal will print, review and sign the Authorized Applications for Employees by Locations (RACF) report on a monthly basis to ensure that school personnel have access only to those applications required by their job duties and responsibilities. This report will be submitted to the Region and maintained on file in the principal's office. The Principal immediately revoked the payroll preparation and Attendance Gradebook Manager Application given to unauthorized personnel.

The Principal met with the Assistant Principals and the School Based Technician (SBT) to review the audit findings and the M-DCPS Network Security Standards to ensure that staff directly responsible for maintaining technology infrastructure are cognizant of District IT policies, directives and requirements.

The Principal directed the SBT to print a BigFix Console report on a monthly basis for the Principal to review in order to ensure the existence of District-mandated antivirus software, the availability of current software and all computers are in working order.

The Principal directed the SBT to develop a disaster recovery plan inclusive of a backup routine. The Principal will review the document with the Assistant Principals and maintain it on file in his office.

The Principal will ensure that the SBT attends training on computer server configuration and all aspects the job description and requirements. In addition, the Principal identified a Mentor for the SBT to provide ongoing assistance

If I can be of further assistance in this matter, please do not hesitate to contact me.

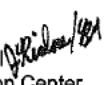
cc: Dr. Daniel Tosado
Dr. Janice Cruse-Sanchez
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 4, 2010

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Jean Coty Ridore, Principal 
North Miami Adult Education Center

SUBJECT: NORTH MIAMI ADULT EDUCATION CENTER RESPONSE TO INTERNAL
AUDIT REPORT FOR 2008-2009 FISCAL YEAR

In response to the Audit results, the Principal has implemented corrective and preventive strategies to avoid the recurrence of the existing audit exceptions. Therefore, the following have been initiated at the worksite.

- 1. We again recommend that the school administration strengthen the safeguarding of the checkbook and any unused checks in the custody of the school.**

On June 2, 2010, an AuditGard Series® safe was delivered to the school site to secure the checkbook and any unused checks in the custody of the school. The safe is configured with an audit feature to accommodate authorized multiple users who will each have a unique entry code for entry into the safe. This will ensure that, not only checks are secure, but entry into the safe will be monitored by the administration. Administration will keep a log of all codes and monitor entry on a monthly basis. The safe will be kept in the Treasurer's Office.

The Treasurer will continue to review and inventory unused checks on a monthly basis. The Vice-Principal or Principal will verify the inventory and a dated log of the findings will be maintained. The Treasurer and Vice-Principal will continue to review the cancelled checks on a monthly basis. The Principal will continue to verify cancelled checks upon signing the monthly reports.

It is expected the above corrective action procedures will help with strengthening the internal controls in the Treasurer's office and prevent future audit exceptions.

JCR/sa


cc: Dr. Daniel Tosado
Mr. Robert Gornto
Ms. Cynthia Gracia
Mr. Antonio Martinez

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 16, 2010
JLD#109/2009-10
305-523-0901

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Jose L. Dotres, Region Superintendent 
Region Center II

SUBJECT: RESPONSES TO AUDIT REPORT OF REGION CENTER II SCHOOLS

Please find attached the responses to the audit finding for the 2009-2010 fiscal year for North Miami Senior High School, Horace Mann Middle School, Aventura Waterways K-8 Center, and Myrtle Grove Elementary School. Region Center II has reviewed the exceptions cited. The following support and monitoring activities will be implemented at the Region level.

North Miami Senior High School

- 1.1 Discuss the procedures with staff for understanding and awareness of the requirements.
- 1.2 Prior to authorizing a disbursement, ensure that it is appropriate under the sponsoring account's guidelines and restrictions.
- 1.3 Review any inactive accounts to determine the future use of the funds, and obtain proper approvals prior to spending or transferring the funds to other accounts or to the Internal Funds-General Fund of the school.
- 1.4 Ensure that donations earmarked for specific purposes are properly documented and spent as intended by the donor.
 - The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 3; Section IV, Chapter 14; and Section III, Chapter 8 of the *Manual of Internal Fund Accounting* and develop a systematic written plan to follow regarding monitoring types of expenditures made and transfers of funds between accounts. This plan should specifically include procedures to follow regarding expending funds for inactive accounts, donations designated for a specific purpose, transfer of funds from one account to another and the restrictions of the General Fund Account. A copy of the plan will be maintained on file at the Region.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.
- 2.1 Review the Fund 9 guidelines with staff for awareness and understanding of purchases allowed through Fund 9, and refrain from making any purchases not allowed through the Fund 9 account.
- 2.2 Discuss with the EESAC Committee the types of purchases allowed to be made through the Internal Funds of the school.
- 2.3 Any financial decisions related to out-of-county/out of state travel of students must be planned with the EESAC Committee in advance to ensure that the proper procurement channels are utilized.
- 2.4 Transfer to a Trust Fund account the amount of EESAC funds approved by the EESAC Committee to cover any purchases related to student hospitality.

APPENDIX-MANAGEMENT'S RESPONSE

- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 9 of the *Manual of Internal Fund Accounting* pertaining to Fund 9 guidelines to develop and submit to the Region a checklist to follow regarding procedures for processing disbursements for the Fund 9 Account.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.
- 3.1 Discuss with the Activities Department, Club sponsors and staff that no disbursement is to be made from cash collections; and discourage the purchase of cashier's checks to pay vendors.**
- 3.2 Immediately discontinue any fundraiser or school/student activity where expenses are being paid from cash collections, or where the vendor requires advanced payment in full.**
- 3.3 In the case of the doughnut sale, discontinue the activity, as it does not comply with the District Wellness policy.**
- 3.4 Strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.**
- 3.5 Strengthen controls over the disbursement function to ensure that disbursements are made according to the timelines, and that the supporting documentation is complete, appropriate, and filed.**
- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section 11, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* to develop and submit to the Region a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for ensuring that disbursements are made via check vs. cash, ensuring the District's Wellness Policy, Healthy Beverage and Food Guidelines are being followed, disbursements are supported by assigned vendor invoices and that payments made to vendors are made in a timely manner.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.
- 4.1 Ensure that accounts have available funds before authorizing expenditures.**
- 4.2 Monitor Trust Fund account balances periodically to prevent deficit balances, and make transfers of funds as needed and as allowed by the guidelines to eliminate/prevent any deficits.**
- The Region II Business/Personnel Administrative Director instructed the Principal to thoroughly review Section III, Chapter 4 of the *Manual of Internal Funds Accounting* pertaining to Trust Funds Accounts closing the year with deficit balances and develop a written plan to prevent deficit balances at the end of the fiscal year. A copy of the plan will be maintained on file at the Region.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
 - The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

APPENDIX-MANAGEMENT'S RESPONSE

- 5.1 Strengthen controls over the safeguarding of cumulative folders.**
- 5.2 Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated**
- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.
 - Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
 - School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.
- 6.1 Strengthen controls over the safeguarding of student cumulative folders.**
- 6.2 To reduce the probability of potential losses in funding and other non compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate, completed and filed in the folders immediately after the information is entered into ISIS.**
- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ESOL program.
 - Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
 - School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and ESOL folders are carefully reviewed for compliance upon entry.

Horace Mann Middle School

- 1.1 Finalize relocation of network equipment to provide suitable protection from environmental hazards as well as adequate security.**
- 1.2 Ensure that areas where computer equipment is accessible to students are secure and supervised.**
- 1.3 Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and continued adherence to MDCPS Network Security Standards.**
- The Principal was instructed to relocate network equipment to the location previously agreed upon to ensure adequate security as well as protection of equipment from environmental hazards.
 - The Region Center II Business/Personnel Administrative Director requested that the Principal devise and implement a plan to ensure that areas where computer equipment is accessible to students is secure and supervised. A copy of the plan will be maintained at the Region.
 - The Region Center II Business/Personnel Administrative Director will request the Principal to submit a completed copy of the "School Site IT Security Assessment" on a quarterly basis.

APPENDIX-MANAGEMENT'S RESPONSE

Aventura Waterways K-8 Center

1.1 Ensure that all SPED folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed, signed and updated.

- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's Business Management Review Team (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.
- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.

Myrtle Grove Elementary School

- 1.1 Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After School Care Program collections.**
- 1.2 Ensure that proper procedures for the preparation and maintenance of Before/After School Care Program records and reposts.**
- 1.3 Periodically review the attendance and payment records to ensure their completeness and accuracy.**
- 1.4 Continue efforts to collect outstanding balances from students who attended the program but did not pay.**

- The Region Business/Personnel Administrative Director instructed the Principal to develop a systematic plan for monitoring all aspects of record keeping of the Before/After School Care Program. A copy of the plan will be maintained at the Region.
- The Region Center II Business/Personnel Administrative Director cooperatively with the Principal will schedule technical training with the Office of Career and Technical Training focusing on the Child Care records for essential staff.
- The Region Center II Business/Personnel Administrative Director cooperatively with the Principal will coordinate periodical Child Care reviews with district staff from the Office of Career and Technical Training. Any discrepancies found from these reviews will be corrected immediately and copies of the reviews will be maintained at the Region Office.

Should you need additional information, please contact me a (305) 523-0901.

JLD/MFH/sr

Attachments

cc: Dr. Daniel Tosado
Ms. Marie F. Harrison
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 16, 2010
ESP/#324/2009-10

TO: Mr. Freddie Woodson, Deputy Superintendent
District School Operations

FROM: Essie B. Pace, Region Superintendent
Region III

SUBJECT: RESPONSES TO AUDIT REPORT OF REGION III SCHOOLS

Please find the attached responses to the audit reports of Dr. Charles R. Drew Middle School and Miami Northwestern Senior High School.

Region III has reviewed the audit responses for the above mentioned schools. As a result of the audit findings, the following support activities will be implemented at the Region level:

CHARLES R. DREW MIDDLE SCHOOL

- 1.1 Strengthen the controls over the safeguarding of funds.
- 1.2 Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.3 Strengthen the review and oversight over the receipting and collection functions to ensure that monies are timely receipted, deposited and properly recorded.
- 1.4 Ensure that the Collections/Deposits Log (FM-7429) is utilized to document those deposit packages awaiting the armored care pickup service.

The Region III Business/Personnel will monitor compliance of internal procedure compliance and secure funds awaiting pick-up in a safe accessible only to him and the treasurer. The Region III Business/Personnel Administrative Director will review monthly financial reports and conduct visits to verify.

- 2.1 Discuss and reinforce with staff, parents, and the community, the procedures relative to fieldtrips, fundraising and solicitation of funds, as well as accounting for these activities through the internal funds of the school.
- 2.2 Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports and Fundraising Activities Log.
- 2.3 Review the guidelines related to school pictures and yearbook activities with staff for awareness and understanding of the requirement; and strengthen review over these activities to ensure compliance with the requirements.

The Principal will submit to the Region III Business/Personnel Administrative Director picture/yearbook bids, all fieldtrips and fundraising activities for review and approval.

- 3.1 Review payroll procedures with school staff and administration, particularly as it relates to payroll reporting and recordkeeping.
- 3.2 Strengthen the supervision over the payroll function and the review of the payroll records.

The Region III Business/Personnel Administrative Director will conduct quarterly site visitations to review payroll procedures for compliance.

APPENDIX-MANAGEMENT'S RESPONSE

- 4.1 Discuss with staff and make them aware of the proper procedures for receipting and depositing Before/After School Care Program collections.
- 4.2. Ensure that proper procedure for the preparation and maintenance of Before/After School Care Program records and reports.
- 4.3. Periodically review the attendance and payment records to ensure their completeness and accuracy.
- 4.4. Strengthen review of student registration cards and attendance records
- 4.5. Strengthen controls over agency reimbursements to prevent loss of revenue.

The Region III Business/Personnel Administrative Director will contact the offices for Adult Community Education to coordinate and schedule training for the Program Managers of the Satellite locations.

5.1 They should develop appropriate spending plans for the Title I Programs in order to maximize their use. Consequently, hourly accounts should be monitored periodically to ensure that established budgets are not exceeded and request budget transfers, as needed, to cover hourly payroll expenditures.

5.2 Review work schedules and duties of staff funded with Title I programs to ensure that proper funding sources are being used to cover payroll expenditures.

The Principal will print and review from COGNOS/SAP account balances to ensure appropriate funds are maintained and expended in funding structures available to the site. A copy will be submitted to the Region III Business/Personnel Administrative Director on a monthly basis for review.

6.1 Review the responsibilities of the Community Involvement Specialist with the appropriate staff to ensure an understanding of their duties and responsibilities.

6.2 Periodically meet with the CIS to monitor schedule of assignment and ensure that proper coverage of parental activities and home visitations is taking place.

6.3 Review Parental Involvement Monthly School Reports and ensure that Information is properly documented.

The Principal will submit to the Region III Business/Personnel Administrative Director all CIS reports on a monthly basis for review.

7.1 Discuss the documentation requirements with the incoming Reading Coach for understanding and awareness of the requirements.

The Principal will submit to the Region III Business/Personnel Administrative Director all Reading Coach required reports on a monthly basis for review.

MIAMI NORTHWESTERN SENIOR HIGH SCHOOL

1.1 Frequently monitor Athletic Fund balances and make transfers of funds as needed and as allowed by the Internal Fund guidelines to prevent deficit balances.

1.2 Review with staff the procedures for the sale of athletic tickets and strengthen the procedures to safeguard athletic activity records and preparation of athletic inventory and reconciliation of ticket sales.

1.3 Periodically meet with the Athletic Business Manager and the Treasurer to discuss and review the Athletic Fund activity, the game reports and the associated deposits.

The Principal will submit to the Region III Business/Personnel Administrative Director the Athletic Activity Reports and Athletic Ticket Inventory at the conclusion of each athletic season for review.

The affected principals will participate in the District's mandatory Money Matters Support Program, effective immediately. Additionally, the affected principals will be required to address

APPENDIX-MANAGEMENT'S RESPONSE

specific fiscal management job targets on their Performance Planning and Assessment System Planning Form and provide evidence of progress in the areas identified.

Should you need additional information, please contact me at 305-883-0403.


cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 17, 2010
VGB/2009-10/#110

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Mrs. Valtena G. Brown, Region Superintendent 
Region V

SUBJECT: **REGION V RESPONSE TO CORAL REEF ELEMENTARY SCHOOL, MIAMI
HEIGHTS ELEMENTARY SCHOOL AND LEISURE CITY K-8 CENTER AUDIT
EXCEPTIONS FOR THE 2008-2009 FISCAL YEAR**

Please find attached the response to the internal funds audit for the 2008-2009 fiscal year for Coral Reef Elementary School, Miami Heights Elementary School, and Leisure City K-8 Center. The following support activities will be implemented at the Region level:

Coral Reef Elementary School

Exceptional Student Education Records

- 1.1 **Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

The Region V Business/Personnel Director will facilitate district assistance in providing Easy IEP and Matrix of Services training to ensure online system entry of SPED records to the schools.

The Region V Business/Personnel Director will request district assistance with FTE input and review each semester to ensure accuracy of data entry of SPED information. The Administrative Director will provide additional support and assistance to the affected school during the 2010-2011 school year via an audit review of SPED/Gifted procedures and records.

The principal will be required to attend the FTE training when offered by the District.

Miami Heights Elementary School

- 1.1 **Going forward, responsible administration should periodically review the IT function at this location to ensure optimal network security and performance and continued adherence to MDCPS Network Security Standards.**

The Region V Business/Personnel Administrative Director will conduct quarterly reviews of the Employees by Locations (RACF) report to ensure school-site compliance.

Leisure City K-8 Center

Internal Funds

- 1.1 **The school administration should implement procedures to ensure that sealed bank statements and bank correspondence are submitted directly to the Principal for review before it is forwarded to clerical staff. In addition, the administration should implement a process for periodically reconciling the checking account and verifying checking account bank balances.**

APPENDIX-MANAGEMENT'S RESPONSE

- 1.2 **Ensure that staff is aware, understands and adheres to proper receipting procedures when monies come into custody of a school employee or when monies exchange hands.**
- 1.3 **Implement controls over the planning, approval, and execution of fundraising and student activities, and maintain an up-to-date log of activities conducted at the school. Also, discuss proper fund-raising procedures with staff and enforce the preparation of student activity operating reports, and the review and filing of such reports. The school administration should implement procedures to ensure that sealed bank**

The Region V Business/Personnel Administrative Director will conduct a school-site visit to review documents to be presented to staff at the opening of school meeting as it relates to fundraising activities.

The principal has worked with the Region V Business/Personnel Administrative Director to develop a comprehensive system to monitor all areas of budgetary management.

The Region V Business/Personnel Administrative Director will conduct on-site quarterly mini-reviews of Fundraising Activities Log, student activity reports, and filing of such reports to ensure that record keeping procedures are intact, organized and dealt with in a timely manner.

Additionally, the effected principals will participate in the District's Money Matters Support Program during the 2010-2011 school year. The effected principal will be required to address the specific audit findings in their job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to ensure effective and efficient practices

If you need additional information, please contact me at (305) 252-3041. Thank you for your continued support and assistance.


cc: Dr. Daniel Tosado
Dr. Janice Cruse-Sanchez
Mr. Steffond Cone
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 8, 2010
DCK# 51/09-10

TO: Mr. José Montes de Oca, Chief Auditor
Management and Compliance Audits

FROM: Deborah C. Karcher, Chief Information Officer 
Information Technology Services

SUBJECT: **RESULTS OF IT AUDITS AT SELECTED SCHOOLS - FELIX VARELA
SENIOR HIGH AND BARBARA GOLEMAN SENIOR HIGH SCHOOLS**

Staff from the Division of Information Technology Services (ITS) has completed a review of the Draft Report – Results of IT Audits at Selected Schools. Responses to the specific recommendations of the audit team which were specifically assigned to ITS, follow.

Please contact me at 305 995-3751 if there are any additional questions or concerns.

DK/JP:ac

cc: Dr. Richard Hinds
Ms. Martha Montiel
Dr. Melanie K. Fox
Ms. Cynthia Gracia
Mr. Carlos Artime
Ms. Luz M. Navarro
Ms. María T. González
Mr. Javier Pérez

**1. IT Function At School Site Handled
By Hourly Personnel Not
Properly Maintained**

Recent school site IT audits at Barbara Goleman and Felix Varela senior high schools identified that some of the required IT controls and practices were not compliant with District policy. This included the review of the evaluation document titled "School Site IT Security Audit Assessment" developed by the Office of Management and Compliance Audits, in collaboration with Information Technology Services (ITS). This self-assessment tool is completed every year by school sites to assess the quality of network security, compliance with the Network Security Standards (NSS), and district technology directives. Once completed, it is submitted to our office for review.

At these locations, our IT walkthrough of the facilities and our review of the school site network and associated reports disclosed the following:

- Unsecured wireless access points (WAPs) were identified throughout the campus. WAPs whose presence is known and whose signal is detectable may provide the opportunity for unauthorized access to the M-DCPS network;
- Server-class machines that were not fully operational or identified;
- Computers that were not equipped with District-required antivirus (SOPHOS) or the antivirus was not functioning properly;
- Computers that were not members of the DADESCHOOLS domain;
- Computers containing non-standard LOCAL ADMINISTRATOR accounts; and
- Documented data recovery plans were not available for review and routine data backups were not taking place.

School Based Technicians (SBTs) are responsible for ensuring a smooth and properly safeguarded school site IT operation. However, due to the District's hiring freeze, these two schools were unable to hire a full-time SBT for over a year. The Principals attempted to mitigate this situation by hiring hourly personnel to perform the function of the SBT. *At the present time, both schools have hired full-time SBTs.*

We conducted audit follow-up visits at both schools to assess whether corrective action had taken place. At Barbara Goleman Senior High School, all deficiencies identified during the initial visit had been corrected with significant assistance and direct support from ITS personnel. Regarding Felix Varela Senior High School, we conducted our follow-visit in late May, and found that most of the deficiencies were corrected; while the remaining ones were in the process of being corrected.

APPENDIX-MANAGEMENT'S RESPONSE

RECOMMENDATION:

1. **Going forward, responsible administration should periodically review the IT function at each location to ensure optimal network security and performance, and continued adherence to M-DCPS Network Security Standards.**

Departments/Person(s) Responsible: Information Technology Services (ITS)

Management Response:

The following response to the IT audits at Barbara Goleman Senior High School and Felix Varela Senior High School includes corrective and preventive action plans implemented by ITS to ensure and promote compliance with IT network and security standards and procedures at school sites:

As a result of the School Board Meeting, held on June 17, 2009, when School Board Agenda Item D-26 was approved, all School Based Technicians (SBTs) comprised of Computer Specialists, Microsystems Technicians, and Computer Technicians are now realigned under Information Technology Services (ITS). Said realignment is commonly referred to as the Centralized School Technology Support Model. This model would allow ITS to place technical resources where they are needed most in an effort to provide schools with the support necessary to go about their day-to-day business of educating children.

Under this plan, ITS would maintain a dedicated full-time SBT at each senior high school, middle school, and K-8 Center while providing support for elementary schools at a ratio of one SBT to three schools. This alignment will benefit the District by allowing the shift of resources to where they are needed most and by providing standardized processes and procedures for all technical staff to follow. Having standardized processes means that the technology in any of our schools can be maintained by any SBT regardless of the size and complexity of the network.

At the time of Barbara Goleman Senior High School's IT audit, the following issues ensued and solutions were implemented:

- After the approval of Board Agenda Item D-26, there was an implementation period for the School Technology Support Model. After several meetings and finally by September 2009, ITS was able to place a full-time School Based Technician at Barbara Goleman Senior High. Until this time, this school did not have a full-time School Based Technician for several months. The Principal had hired an individual on an hourly basis to sustain the existing technology and keep it running; however, part-time coverage was not sufficient, as district-wide budget constraints required a reduction in hourly personnel schedules from 50 hours per pay-period to 25 hours per pay-period. Several schools and departments, including Barbara Goleman Senior High and ITS, were severely affected by the hiring freeze.
- Subsequent to the school site IT audit at Barbara Goleman Senior High, ITS mobilized a "swat" team of technicians to the site and ensured every item was corrected. This correction required five individuals reporting to Barbara Goleman Senior High for a total of 443 personnel hours.

APPENDIX-MANAGEMENT'S RESPONSE

Audit staff from the Office of Management and Compliance Audits (OMCA) found a similar situation at Felix Varela Senior High, where the full-time SBT was not filled until recently; and the Principal had hired a part-time employee to sustain the school's IT function. Again, just like in the Barbara Golemen Senior scenario, ITS sent a technical swat team to Felix Varela Senior and within a few days, all exceptions were resolved. As evidenced by OMCA, during their audit follow-up visit to the school.

Presently, ITS is working in conjunction with staff from schools and Management and Compliance Audits to ensure that all schools adhere to network security policies and procedures, as well as industry standard best practices. ITS is also sharing with SBTs information on how to prepare for technology field audits at our regularly scheduled Operations Review (OR) meetings where IT audit staff from Management and Compliance Audits has had the opportunity to present information by being guest speakers. Through this implementation and collaborative efforts, school sites should encounter improved audit results and undergo IT audits leading to less or no audit exceptions.

In the event that discrepancies are found during the technology audit, ITS will establish a team of technicians in neighboring schools, drawing on the required level of expertise necessary to resolve the issue. Said team will then be deployed to the affected site with a clearly defined work plan and timelines under the supervision of the ITS Regional Center Support Team (RCST). ITS management believes that this mitigation method is the most effective and efficient way of addressing critical, time sensitive issues without being too disruptive to the learning process.

Another vital tool in managing technology related issues is the HEAT work-order control application that has been used throughout the District for some time now to report to ITS instances of IT network and computer and peripheral equipment malfunction at the sites. Adopting the HEAT system is critical to ensuring that issues are reviewed and resolved in a timely manner. ITS has provided training to all SBTs on how to properly administer HEAT work orders and is working with individual schools to provide training for staff on how to initiate service requests. By monitoring individual, school-site HEAT work-order queues, the ITS Regional Center Support Teams will be able to provide assistance where it is needed most by prioritizing technical resources to those areas.

Regarding further assistance to school sites, ITS will work with schools, and the principal, when schools are not granted the personnel required to keep procedures and equipment up to the standard required. Principals will notify issues through the HEAT process. These procedures will be reviewed with all school principals.

Please contact me at 305 995-3751 if there are any additional questions or concerns.

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 10, 2010
CBM#42/2009-10

TO: Mr. Freddie Woodson, Deputy Superintendent
District /School Operations

FROM: Ms. Janet Hupp, Region Superintendent
Region Center IV

Dr. Carmen B. Marinelli, Region Superintendent
Region Center I

JH am

(CBM)

**SUBJECT: AUDIT – BARBARA GOLEMAN SENIOR HIGH SCHOOL
AUDIT – FELIX VARELA SENIOR HIGH SCHOOL**

The School Based Technician Model was passed at the June 17, 2009 School Board Meeting. As a result of D-26, all School Based Technicians (SBTs) comprised of Computer Specialists, Microsystems Technicians and Computer Technicians are now realigned under Information Technology Services (ITS). Therefore technology resources are no longer school based and are now part of what is referred to as the Centralized Technology Support Model. ITS provides services through the personnel in their area. Due to this model, personnel and monitoring concerns should be directed to ITS.

JH/CBM/ss

2010 JUN 18 AM 8:31
MANAGEMENT AND
COMPLIANCE AUDITS

SCHOOL OPERATIONS
2010 JUN 14 AM 8:37

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 18, 2010

TO: Mr. Jose Montes de Oca, Chief Auditor
Audit & Investigative Affairs

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

SUBJECT: DISTRICT/SCHOOL OPERATIONS' RESPONSE TO THE AVENTURA WATERWAY K-8 CENTER, MYRTLE GROVE ELEMENTARY, HORACE MANN MIDDLE, NORTH MIAMI SENIOR HIGH, CHARLES DREW MIDDLE, MIAMI NORTHWESTERN SENIOR HIGH, CORAL REEF ELEMENTARY, MIAMI HEIGHTS ELEMENTARY, AND LEISURE CITY K-8 CENTER, AUDIT EXCEPTIONS FOR THE 2008-2009 FISCAL YEARS

District/School Operations has reviewed the audit exceptions cited for the 2008-2009 fiscal years for Andover Middle School, Highland Oaks Middle School, Morningside Elementary School, and Norland Elementary School. The following support activities will be implemented at the District level:

REGION CENTER II

Myrtle Grove Elementary School

- The Region Center will submit the on-site reviews, quarterly to District/School Operations.
- A copy of the approved systematic plan will be provided to District/School Operations.

North Miami Senior High

- The Region Center will submit to District/School Operations a copy of the developed systematic plan regarding monitoring types of expenditures made and transfers of funds between accounts.
- Copies of the quarterly region mini- reviews will be submitted to District/School Operations for review. Any anomalies will be discussed with the region director and corrections will be made immediately.
- The Region Center will submit to District/School Operations and keep on file a copy of the established systematic plan developed regarding disbursements, and deficit balances.
- Copies of the records review checklists developed by the Region will be forward to District/School Operations to ensure that SPED cumulative folders and ESOL Program Record Folders are in compliance with policies and procedures.

REGION CENTERS II and V

Aventura Waterway K-8 Center/Coral Reef Elementary

- Results from the Region mini-reviews will be submitted to District/School Operations for a final review. Any discrepancies will be corrected immediately.
- Results of the Region developed records review checklist will be submitted to District/School Operations to ensure that cumulative folders and SPED/IEP folders have been carefully reviewed.

Horace Mann Middle School/Miami Heights Elementary

- The Region Center will submit to District/School Operations and keep on file a copy of the established systematic plan developed to secure computer equipment and to ensure adherence to MDCPS network Security Standards.
- The Region Center will submit the completed copy of the School Site IT Security Assessment each quarter to District/School Operations.
- Copies of the signed RACF report will be forwarded to District/School Operations and kept on file.

APPENDIX-MANAGEMENT'S RESPONSE

REGION CENTER III

Miami Northwestern Senior High

- Copies of the Athletic Activity Reports and Athletic Ticket Inventory will be submitted to District/School Operations at the end of each athletic season for review. Any anomalies will be duly noted and communicated to the region for immediate action.

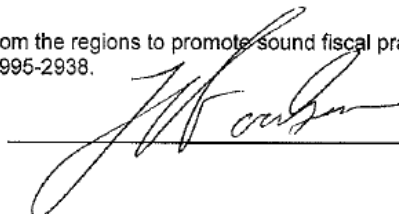
REGION CENTERS III and V

Charles Drew Middle School/ Leisure City K-8 Center

- The Region will confirm with District/School Operations that the safe accessible to the principal has been repositioned to ensure safeguarding of funds.
- Copies of the approved picture/yearbook bids, fieldtrips and fundraising activities approved by the region will be submitted to District/School Operations and kept on file.
- District/School Operations will review from COGNOS/SAP account balances to guarantee funds are maintained and monies spent are available to the school site. Any negative balances will be communicated to the region and corrected as necessary.
- District/School Operations will present information on Title I compliance requirements through monthly principal webcasts.
- Copies of the Fundraising Activities Log and Student Activity Reports will be forwarded to District/School Operations for review. Any discrepancies will be communicated to with the respective region and immediately corrected.

The Money Matters Support Program will provide information on IT Security, the proper procedures for record keeping of cumulative folders and SPED/IEP folders to reduce the probability of consequential funding disallowances and the appropriate maintenance of records and proper use of federally funded programs, appropriate purchases and of all Internal Funds operation and function. Additionally, District/School Operations will work in conjunction with the Region in securing District technical assistance as requested.

District/School Operations will continue to work with staff from the regions to promote sound fiscal practices. Should you have any questions, please contact me at 305 995-2938.



FW

FW: cg
M594

cc: Dr. Daniel Tosado
Dr. Essie S. Pace
Mrs. Valtana Brown
Mr. Jose L. Dotres
Ms. Maria T. Gonzalez
Ms. Cynthia Gracia

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 17, 2010

TO: Mr. Jose Montes de Oca, Chief Auditor
Audit & Investigative Affairs

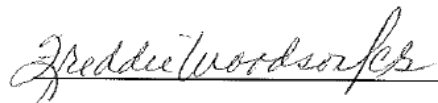
FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

**SUBJECT: DISTRICT/SCHOOL OPERATIONS' RESPONSE TO THE NORTH MIAMI
ADULT EDUCATION CENTER AUDIT EXCEPTION FOR THE 2008-2009
FISCAL YEAR**

District/School Operations has reviewed the audit exceptions cited for the 2008-2009 fiscal year for North Miami Adult Education Center. In order to prevent the recurrence of future audit exceptions and ensure that strict compliance is maintained with internal funds, the following corrective and preventative strategies will be implemented to safeguard the schools checkbook:

- The principal has purchased a safe to secure the schools' checkbook and unused checks. The safe will be configured with an audit feature to monitor access by authorized personnel. The safe will be maintained in the treasurer's office.
- The treasurer will review and inventory unused checks on a monthly basis. The principal and school administrator will verify inventory and maintain a dated log. A copy of the log will be forward to the District/School Operations Administrative Director, Adult/Vocational and Community Schools to review, monitor and file.

It is expected that the above corrective actions will address the internal control in the treasurer's office and will prevent the recurrence of the exceptions. District/School Operations will continue to work with staff to promote sound fiscal practices. Should you have any questions, please contact me at 305 995-2938.

 FW

FW:dlv
M593

cc: Dr. Daniel Tosado
Maria T. Gonzalez
Ms. Cynthia Gracia
Mr. Robert G. Gornto
Mr. Antonio Martinez

APPENDIX-MANAGEMENT'S RESPONSE

MEMORANDUM

June 18, 2010

TO: Mr. Jose Montes de Oca, Chief Auditor
Audit & Investigative Affairs

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

SUBJECT: **RESULTS OF IT AUDIT AT BARBARA GOLEMAN SENIOR HIGH AND FELIX VARELA SENIOR HIGH**

District/School Operations has reviewed the audit exceptions cited for IT Audits at selected schools Barbara Goleman Senior High and Felix Varela Senior High School. To facilitate preventive measures as it relates to School Based Technicians (SBT's) services required IT controls and practices compliance, District/School Operations Money Matters Support Program will provide information on IT Security, controls and new procedures.

District/School Operations will continue to work with staff from the regions to promote sound business practices. Should you have any questions, please contact me at 305 995-2938.



FW

FW: cg
M595

cc: Dr. Daniel Tosado
Dr. Carmen Marinelli
Ms. Janet Hupp
Ms. Maria T. Gonzalez
Ms. Cynthia Gracia

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

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

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

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

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

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

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

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

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

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

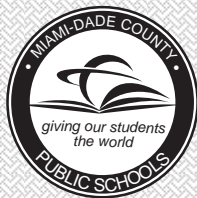
Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

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

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

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

**INTERNAL AUDIT REPORT
SELECTED SCHOOLS
JUNE 2010**



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