



*Internal Audit Report
Selected Schools*



*Financial Statements
Were Fairly Stated at 74 of 75 Schools.
At 16 of 75 Schools
Controls In Selected Areas Need
Improvement.*

JUNE 2012

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
Ms. Yvonne Barrios
Mr. Harry Demosthenes
Ms. Mayte Diaz
Ms. Maite Jimenez
Ms. Mariela Jimenez-Linaje
Mr. Reginald Lafontant
Ms. Jeanette Polynice
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 Audit 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

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Raquel A. Regalado

June 14, 2012

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

Ladies and Gentlemen:

This report includes the audit results of 75 schools currently reporting to the North, North Central, South Central and South Regional Center offices; the Education Transformation Office; and the Adult/Vocational, Alternative Education Program and Community Education division within District/School Operations. The audit period for all the schools is the fiscal year ended June 30, 2011.

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 at all the schools. On a selected basis, we reviewed payroll, credit card purchases, Title I Program expenditures and procedures, Full-Time-Equivalent (FTE) reporting and student records, and aspects of data security. The audits also included the results of property inventories.

Our audits disclosed that the financial statements of 74 of the 75 schools reported herein were fairly stated. At 59 of the 75 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for most schools reported herein were satisfactory and losses were minimal. However, at 16 schools, controls over the bookkeeping function; the procedures for receipting and disbursing funds; the management of fundraisers and Athletic Fund balances; the yearbook activity; certain operating activities of adult education centers; credit card purchases; the reporting of payroll's time and attendance; FTE records and procedures; and the management of property needed improvement. At one of these 16 schools, we uncovered the former treasurer's misappropriation of school funds. During the audit, she confessed to "borrowing" an undisclosed amount. We referred the case to M-DCPS Police, who corroborated our findings and arrested the former treasurer as the result of her unlawful actions. As of the date of this publication, the State Attorney's Office has set the case for pre-trial hearing in July 2012. At another school, we conducted an audit investigation at the request of the region administration. Our investigative work corroborated that the school's bookkeeping function and financial aspects of certain school activities were not being conducted as prescribed by District guidelines. However, nothing came to our attention during our investigation that would indicate a misappropriation of funds. The school administration provided a corrective action plan to bring the school's financial activities into compliance with District policy.

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

Office of Management and Compliance Audits

School Board Administration Building • 1450 N. E. 2nd Ave. • Suite 415 • Miami, FL 33132

305-995-1318 • 305-995-1331 (FAX) • <http://mca.dadeschools.net>

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 75 schools. These include two schools that report to the Education Transformation Office (ETO), 15 to the North Regional Center, seven to the North Central Regional Center, 45 to the South Central Regional Center, five to the South Regional Center, and one adult education center that currently reports to the Adult/Vocational, Alternative Education Program and Community Education division within District/School Operations. At three of these schools, there was a change of principal since the prior audit. Additionally, effective for the 2011-2012 fiscal year, two schools that reported to the South Central Regional Center, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle merged into one K-8 center (Bowman Ashe/Doolin K-8 Academy). In this report, we are reporting the financial statements separately since the schools maintained separate sets of financial records during 2010-2011. However, for purposes of this report, we combined the audit results of these two schools into *one* school audit (since they have become one school location managed by the same principal).

The audits disclosed that 59 of the 75 schools reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The 16 schools with audit findings and the affected areas are as follows:

School Name	Regional Center	No. Of Findings	Major Areas				
			Int. Funds	Payroll	P-Card	FTE	Property
1. Homestead Senior	ETO	4	√		√		
2. Miami Central Senior	ETO	2	√			√	
3. D. A. Dorsey Educational Center	Adult Ed.	5	√		√		√
4. Miami Springs Elementary	North Central	1	√				
5. American Senior	North Central	1	√				
6. North Miami Beach Senior	North Central	1				√	
7. John I. Smith K-8 Center	North Central	2				√	
8. Arcola Lake Elementary	North Central	1				√	
9. Norland Elementary	North Central	1				√	
10. Law Enforcement Officers' Memorial High	South Central	3	√				
11. G. Holmes Braddock Senior	South Central	1	√				
12. Dr. Carlos J. Finlay Elementary	South Central	1				√	
13. Robert Morgan Educational Center	South	3	√	√			
14. Felix Varela Senior	South	1	√				
15. Jorge Mas Canosa Middle	South	2	√			√	
16. Pinecrest Elementary	South	1	√				

Audit findings cited control deficiencies over the internal funds' bookkeeping function and the procedures for the collection and disbursement of funds; as well as the management of fundraisers, the yearbook activity, the Athletic Fund, and certain operating activities of adult education centers. Other findings reported discrepancies associated with the purchasing credit card, the payroll function, non-compliance with FTE requirements, and the management of property equipment.

At Homestead Senior, during the course of our audit we uncovered the former treasurer's misappropriation of school funds. Our office collaborated with M-DCPS Police to obtain evidence that culminated with criminal charges being brought against her and her subsequent arrest. At the time of this publication, the former treasurer resigned and the State Attorney's Office has set the case for pre-trial hearing in July 2012. At Miami Springs Elementary, we conducted an audit investigation at the request of the North Central Region administration. Our investigative work corroborated that the school's bookkeeping function and financial aspects of certain fundraisers and fieldtrips were not being conducted as prescribed by District guidelines. However, nothing came to our attention during the course of our work that would indicate that a misappropriation of funds took place at the school. Based on our recommendations, the school administration provided a corrective action plan to bring the school into compliance with District policy.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 24-29. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 43-133); and in the Appendix section in memorandum format (Pages 142-190).

Notwithstanding the conditions and findings reported herein, at 74 of the 75 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 2010-2011 fiscal year, on the cash basis of accounting, depending on the school audited. At Homestead Senior, because of the misappropriation of funds and the circumvention of controls over the receipting, depositing and disbursing of funds during the 2010-2011 fiscal year, as further explained on pages 43-50 of this report, the financial statement of the internal funds of the school for the 2010-2011 fiscal year does not fairly present the results of its operations on the cash basis of accounting.

As of June 30, 2011, for all 75 schools reported herein, total combined receipts and disbursements amounted to \$19,600,070.32 and \$19,921,424.42, respectively; while total combined cash and investments amounted to \$4,448,677.40 (Pages 10-16).

As of June 30, 2011, the internal control structure at 74 of the 75 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. At Homestead Senior, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration (Pages 18-23).

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 75 schools. Of this total, 64 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following 11 schools we found that:

- At Homestead Senior, our review of the school's financial activity corresponding to the 2010-2011 and 2011-2012 fiscal years up to January 2012 disclosed a misappropriation of funds and collections unaccounted for totaling approximately \$24,000. The former treasurer confessed in writing to having "borrowed" an unspecified amount of school funds for personal use. We referred the case to the Miami-Dade Schools Police for consideration of criminal charges. As a result, the former treasurer was arrested and she later resigned. The State Attorney's Office has set this case for a pre-trial hearing in July 2012. Regarding disbursements, the former treasurer did not post disbursements in a timely manner, disbursement documentation was incomplete or disclosed certain discrepancies; and the school owed approximately \$28,000 in outstanding liabilities. While a portion of the liabilities corresponded to invoices associated with school activities where monies were misappropriated or unaccounted for, \$8,600 corresponded to the yearbook's final invoice that remained unpaid. Approximately \$12,000 represented an unauthorized purchase of football uniforms made by the school's former football coach. Prior to our audit, the current principal had reported the unauthorized purchase to M-DCPS Police and the case was handled administratively. We also found an instance where the school was conducting a cookie fundraiser that did not comply with the District's Wellness guidelines (Pages 43-54 and 57-58).

- At Miami Central Senior, the Athletic Fund closed the year with a deficit balance; and the deficit continued up to the time of the audit in May 2012. At the completion of our audit, the school did not have sufficient funds in other accounts to cover the deficit (Pages 59-61).

- At D. A. Dorsey Educational Center, there was a change in treasurer in October 2011. Most discrepancies noted happened under the tenure of the former treasurer, but under the same school administration. Our review of financial records and transactions corresponding to the 2010-2011 fiscal year and the current year disclosed records that were missing, as well as delays and errors in the posting and processing of financial transactions related to the checking account. Some of the posting errors required adjustments. Part of the discrepancies included Pell Grant funds and other grant funds received by the school. The school conducted a student sale of monthly transportation passes (since a significant portion of the student population utilizes the Metro-Dade Transit system as their means of transport); however, the bus pass account disclosed a shortfall of approximately \$7,600. In addition, some of the transportation invoices were intentionally posted to other accounts to prevent the bus pass account from showing a deficit. Disbursements of over \$1,000 did not include documented quotes, purchase orders were not always used and in a few instances, disbursements were not posted in a timely manner. The Bookstore Operating and Inventory Report disclosed errors and shortfalls in the monies collected from the sale of books, and the school was not always pricing the books in accordance with the established guidelines (Pages 65-73 and 76-77).

- At Miami Springs Elementary, at the request of the North Central Region Superintendent, we conducted an audit investigation because of a concern that internal funds procedures were not followed in connection with a certain food sale fundraiser conducted at the school. We verified that, between September 2011 and December 2011, the school conducted food sales of approximately \$2,000; however, these sales were not recorded in the internal funds of the school; and the associated food vendors were paid directly from the cash collections. At the time of the audit, leftover funds in the custody of the treasurer were deposited in the

school's checking account and recorded in the system at our request. Although nothing came to our attention during our review of these activities that would indicate a misappropriation of funds, our investigation disclosed that the school failed to follow proper bookkeeping procedures regarding the food sales and other similar activities. Regarding activities of the school and the PTA reviewed during the audit, we also found that the school failed to establish a clear and distinct separation between PTA and school-sponsored activities, when school staff collected funds on behalf of the PTA, and the PTA paid vendors directly for expenses of certain school sponsored field trips (Pages 80-86).

- At American Senior, we found instances where monies were not timely remitted to the treasurer for deposit, as well as some instances where the school was not properly utilizing the *Collections/Deposits Log* to document deposits awaiting the armored car pick up service. In addition, the school did not always obtain the required minimum of three documented telephone quotes for the disbursements sampled. Items purchased consisted of students' materials and supplies, locker room benches, cheerleading and dance wear, and academy-related t-shirts (Pages 87-89).
- At Law Enforcement Officers' Memorial High, during the 2010-2011 and 2011-2012 fiscal years up to our visit in May 2012, the faculty member responsible for collecting science fees was not remitting the collections for deposit in a timely manner; invoices were not always signed to acknowledge receipt of goods/services; purchase orders were not always prepared for individual disbursements of \$100 or more; and sales tax on resale merchandise was not paid. During the 2010-2011 fiscal year, the school was unable to sell all yearbooks and some books were unaccounted for at the time of the audit. Our review to the 2011-2012 yearbook activity disclosed that the yearbook order increased to 150 books; however, only 40 percent of the books had been sold as of April 2012. For both fiscal years, certain yearbook reports and forms were incomplete, contained errors or were not on file at the school (Pages 101-107).
- At G. Holmes Braddock Senior, the Athletic Fund closed the year with a deficit balance, apparently from a miscalculation when transferring funds from other accounts to clear the deficit by year-end. However, during the 2011-2012 fiscal year, as of February 2012, the school continued to operate the Athletic Fund in the deficit. During all this time, the school held sufficient funds in two Classes and Clubs accounts related to Athletics to eliminate the deficit balance (Pages 108-110).
- At Robert Morgan Educational Center, the June 2011 checking account reconciliation disclosed a \$10,000 transfer of funds from the school's Money Market Pool account to the internal funds checking account, which the school posted to the system in *anticipation* of the actual transfer (which did not take place until July 1). This *anticipated* transaction overstated the checking account balance in the automated system at year-end. When adjusted, we found that the checking account would have closed the year with a deficit balance of \$(4,732) in the automated system. Regarding the yearbook activity, we found that 156 of 600 yearbooks remained unsold at year-end; the final yearbook payment was made late in September 2011; certain yearbook documentation was not presented for audit; and yearbooks were sold to students above cost. We performed an interim yearbook review for the 2011-2012 fiscal year up to the time of our audit in early April 2012 and noted that the

school had reduced the number of yearbooks to 450; however, 130 yearbooks remained to be sold (Pages 114-118).

- At Felix Varela Senior, sampled disbursements for the 2010-2011 and 2011-2012 fiscal years up to our visit in January 2012 disclosed that the school did not obtain three documented quotes for most disbursements sampled of \$1,000 or more. These consisted of purchases of student supplies, trophies, costumes and various student uniforms (Pages 122-123).
- At Jorge Mas Canosa Middle, our review of a sample of deposits, disbursements, bank reconciliations and financial transactions corresponding to the 2010-2011 fiscal year and the current year up to December 2011 disclosed that transactions were not posted to the system in a timely manner. In some of the deposits tested, there were discrepancies between the amount of cash posted and deposited; however, it appears that most were the result of posting errors (Pages 124-126).
- At Pinecrest Elementary, our review of a sample of financial records and transactions corresponding to the 2010-2011 fiscal year and the current year disclosed delays in the posting and processing of financial transactions related to the checking account. Similarly, disbursement documentation disclosed some delays in payments issued to vendors. In addition, deposit packages corresponding to the audit year and the current year disclosed errors and omissions regarding the documentation supporting the deposits (Pages 130-133).

PAYROLL

We reviewed current payroll records and procedures at the following 18 schools:

School Name	Regional Center
▪ Robert Morgan Educational Center	▪ South
▪ Hialeah Gardens Elementary	▪ North
▪ Hialeah Gardens Middle	▪ North
▪ Miami Springs Elementary	▪ North Central
▪ Miami Springs Senior	▪ North Central
▪ Bowman Ashe/Doolin K-8 Academy	▪ South Central
▪ Dr. Manuel C. Barreiro Elementary	▪ South Central
▪ South Miami K-8 Center	▪ South Central
▪ Village Green Elementary	▪ South Central
▪ Shenandoah Middle	▪ South Central
▪ West Miami Middle	▪ South Central
▪ Miami Coral Park Senior	▪ South Central
▪ Young Men's Preparatory Academy Senior	▪ South Central
▪ Pinecrest Elementary	▪ South

School Name	Regional Center
▪ Jorge Mas Canosa Middle	▪ South
▪ Felix Varela Senior	▪ South
▪ Homestead Senior	▪ ETO
▪ Miami Central Senior	▪ ETO

At 17 of the 18 schools, there was general compliance with the *Payroll Processing Procedures Manual*.

- At Robert Morgan Educational Center, during the prior audit, we cited the school for errors in the reporting of time and attendance and the documenting of payroll. Our review of current year payrolls disclosed that, although most conditions previously cited were corrected, we still found *at the adult education center* that leave cards were not properly completed, signed or filed. In addition, we still noted a few reporting errors that required payroll corrections (Pages 119-121).

PROPERTY

This report includes the results of physical inventories of property items with an individual cost of \$1,000 or more for 99 schools. This total includes the property results of 59 of the 75 schools in this report, plus 16 schools for which results were pending publication since our last report in May 2012; and 24 property audits that were completed in anticipation of the school's internal funds audit. Any property audits that we could not finalize in time to include in this last report for the 2011-2012 fiscal year will be reported in 2012-2013.

At the 99 schools reported herein, Property Audits staff inventoried approximately 23,700 equipment items with a total approximate cost of \$61.7 million. Of the 99 schools, 95 proved satisfactory. At four schools, ten equipment items with a depreciated value of approximately \$500 and a total approximate cost of \$21,130 could not be located (refer to Property Schedules on pages 36-41). Three of these four school presented minimal losses.

- At D. A. Dorsey Educational Center (the school with the most significant losses), we could not locate five property items with a depreciated value of zero and an acquisition cost of \$10,845. The principal provided a written corrective action plan to mitigate losses and improve the management over the property (Pages 78-79 and Schedule on page 41).

Property inventories also include the review of property losses reported by the schools through the Plant Security Report process. These represent equipment losses due to theft, vandalism and similar school-reported incidents. Our analysis of Plant Security Reports disclosed 19 items with a total depreciated value of approximately \$10,300 and a total approximate cost of \$37,200 missing at 14 of the 99 schools (Page 42).

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

School Name	Regional Center
▪ Homestead Senior	▪ ETO
▪ D. A. Dorsey Educational Center	▪ Adult Education
▪ Miami Beach Senior	▪ North
▪ Miami Springs Elementary	▪ North Central
▪ Key Biscayne K-8 Center	▪ South Central
▪ Law Enforcement Officers' Memorial High	▪ South Central
▪ Jorge Mas Canosa Middle	▪ South
▪ Robert Morgan Educational Center	▪ South

Our review disclosed that six of the eight schools listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

- At Homestead Senior and D. A. Dorsey Educational Center, P-card monthly reconciliations were not processed in a timely manner and charges were not always properly documented. Additionally at Homestead Senior, the clerk responsible for processing the reconciliations had not attended the District's credit card training; while at D. A. Dorsey Educational Center, some credit card purchases made to the same vendor on the same day exceeded the \$2,999.99 threshold for individual purchases; (Pages 55-56 and 74-75).

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following 23 schools were selected for these audits:

School Name	Regional Center	Survey Period (SP)	FTE Funding
▪ Miami Central Senior	ETO	2011-2012 SP 2	\$ 3,354,532
▪ North Miami Beach Senior	North Central	2011-2012 SP 2	3,873,630
▪ John I. Smith K-8 Center	North Central	2011-2012 SP 3	2,369,118
▪ Arcola Lake Elementary	North Central	2011-2012 SP 2	941,961
▪ Norland Elementary	North Central	2011-2012 SP 2	1,150,001
▪ Dr. Carlos J. Finlay Elementary	South Central	2011-2012 SP 3	863,401
▪ Jorge Mas Canosa Middle	South	2011-2012 SP 2	3,494,543
▪ Miami Lakes K-8 Center	North	2011-2012 SP 3	2,725,228
▪ Palm Lakes Elementary	North	2011-2012 SP 3	1,751,076
▪ Bowman Ashe/Doolin K-8 Academy	South Central	2011-2012 SP 3	2,868,786
▪ Bent Tree Elementary	South Central	2011-2012 SP 3	1,070,530
▪ Coral Park Elementary	South Central	2011-2012 SP 3	2,097,721
▪ Henry M. Flagler Elementary	South Central	2011-2012 SP 3	1,725,688
▪ Zora Neale Hurston Elementary	South Central	2011-2012 SP 3	1,377,984

School Name	Regional Center	Survey Period (SP)	FTE Funding
▪ Key Biscayne K-8 Center	South Central	2011-2012 SP 3	2,479,086
▪ Olympia Heights Elementary	South Central	2011-2012 SP 3	1,015,773
▪ South Miami K-8 Center	South Central	2011-2012 SP 3	1,526,072
▪ Southside Elementary	South Central	2011-2012 SP 3	1,561,507
▪ Citrus Grove Middle	South Central	2011-2012 SP 3	1,825,288
▪ Kinloch Park Middle	South Central	2011-2012 SP 3	2,191,727
▪ Howard D. McMillan Middle	South Central	2011-2012 SP 3	1,461,752
▪ G. Holmes Braddock Senior	South Central	2011-2012 SP 2	5,881,696
▪ Robert Morgan Educational Center	South	2011-2012 SP 2	4,102,639
Total FTE Funding			\$ 51,709,739

The total FTE funding amounted to approximately \$51.7 million for the 23 schools combined. FTE records reviewed corresponded to the 2011-2012 fiscal year Survey Period 2 (October 2011) or Survey Period 3 (February 2012), depending on the school audited, as noted in the preceding table. Our FTE reviews disclosed that 16 of the 23 schools were generally compliant with District policy.

- At the following seven schools: Miami Central Senior, North Miami Beach Senior, John I. Smith K-8 Center, Arcola Lake Elementary, Norland Elementary, Dr. Carlos J. Finlay Elementary and Jorge Mas Canosa Middle, our review of sampled ESOL student records identified several discrepancies with the documentation filed in the student LEP folders. These included: ELL/LEP Student Plans that were not properly completed; and information related to test results, committee meetings and student schedules that were not filed. At North Miami Beach Senior, student schedules found in the folders were printed after the date of the survey period (Pages 62-64, 90-92, 95-96, 97-98, 99-100, 111-113 and 127-129).
- Our review of SPED student records at John I. Smith K-8 Center disclosed several discrepancies with the Matrix of Services form for several students (Pages 93-94).

The combined discrepancies in our samples of SPED and ESOL records from all seven schools cited above could have generated a funding disallowance to the District totaling approximately \$22,000.

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures for the 2010-2011 fiscal year was conducted at two schools since our last report in May 2012:

School Name	Regional Center	Total Expenditures
Charles R. Hadley Elementary	South Central	\$ 478,863
West Miami Middle	South Central	405,895
Total Title I Program Expenditures		\$ 884,758

Total expenditures incurred under various Title I programs amounted to approximately \$885,000. Results of our audits disclosed that both schools were generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

DATA SECURITY

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 11 schools. At four of the 11 schools, we conducted a more thorough review of the school site IT function. The schools reviewed were:

School Name	Regional Center
▪ Miami Lakes K-8 Center	▪ North
▪ Ojus Elementary	▪ North
▪ Henry H. Filer Middle	▪ North
▪ Miami Springs Elementary	▪ North Central
▪ John I. Smith K-8 Center ¹	▪ North Central
▪ Shenandoah Middle ¹	▪ North Central
▪ G. Holmes Braddock Senior	▪ South Central
▪ New World School Of The Arts Senior ¹	▪ South Central
▪ Jorge Mas Canosa Middle	▪ South
▪ Miami Central Senior ¹	▪ ETO
▪ D. A. Dorsey Educational Center	▪ Adult Education

Our review disclosed that all 11 schools generally complied with the review of the report and with the requirements for granting access to system applications. At John I. Smith K-8 Center, Shenandoah Middle, New World School of the Arts Senior and Miami Central Senior, our more in-depth review of selected aspects of the school’s site IT function disclosed that IT equipment such as servers, switches and routers were properly located and safeguarded; and the school administration had generally informed staff of the requirements for backing-up critical data and the security of the network.

Minor discrepancies identified in this area were discussed with the school administration for corrective action.

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2011 for the 75 schools included herein. It also provides the audit opinion regarding the schools’ financial statements:

¹ More in-depth review of selected aspects of the school’s site IT function reviewed at this school (4 schools).

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2011 for the 75 schools reported herein are:

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
North Regional Center Schools									
1481	John G. Dupuis Elementary	\$ 33,420.91	\$ 135,607.09	\$ 139,706.31	\$ 29,321.69	\$ 11,264.55	\$ 18,057.14	-	\$ 29,321.69
0092	Norman S. Edelcup/Sunny Isles Beach K-8 Center	23,106.99	121,888.13	120,294.73	24,700.39	21,672.02	3,028.37	-	24,700.39
2161	Golden Glades Elementary	16,425.03	11,076.17	15,094.22	12,406.98	4,859.06	7,547.92	-	12,406.98
5051	Ernest R Graham K-8 Center	30,475.57	194,544.32	194,913.99	30,105.90	11,882.81	18,223.09	-	30,105.90
2111	Hialeah Gardens Elementary	20,605.08	292,011.56	294,748.03	17,868.61	10,806.35	7,062.26	-	17,868.61
2911	Linda Lentin K-8 Center	16,930.38	70,671.92	69,968.82	17,633.48	13,544.71	4,088.77	-	17,633.48
3281	Miami Lakes K-8 Center	11,784.04	161,303.54	160,509.04	12,578.54	6,148.87	6,429.67	-	12,578.54
3981	North Twin Lakes Elementary	17,247.27	155,802.64	152,411.51	20,638.40	15,425.68	5,212.72	-	20,638.40
4061	Ojus Elementary	26,987.95	71,369.16	80,068.45	18,288.66	3,325.56	14,963.10	-	18,288.66
4241	Palm Lakes Elementary	12,711.38	72,161.33	70,880.77	13,991.94	8,810.96	5,180.98	-	13,991.94
4541	Rainbow Park Elementary	9,069.31	33,277.97	30,688.84	11,658.44	10,232.43	1,426.01	-	11,658.44

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
5141	Hubert O. Sibley K-8 Center	12,769.55	35,650.17	33,563.64	14,856.08	4,840.96	10,015.12	-	14,856.08
6171	Henry H. Filer Middle	27,949.74	26,433.11	27,297.50	27,085.35	11,691.08	15,394.27	-	27,085.35
6751	Hialeah Gardens Middle	23,691.17	131,478.80	124,651.34	30,518.63	30,014.44	504.19	-	30,518.63
7201	Miami Beach Senior	282,819.02	589,209.58	600,691.82	271,336.78	7,703.89	263,632.89	-	271,336.78
<u>North Central Regional Center Schools</u>									
0101	Arcola Lake Elementary	15,097.39	49,363.25	48,650.78	15,809.86	9,760.97	6,048.89	-	15,809.86
3381	Miami Springs Elementary	14,935.62	253,007.97	253,137.43	14,806.16	4,796.01	10,010.15	-	14,806.16
3701	Norland Elementary	10,248.82	58,376.98	55,239.13	13,386.67	9,783.30	3,603.37	-	13,386.67
5101	John I. Smith K-8 Center	34,706.10	588,985.27	586,692.30	36,999.07	10,105.29	26,893.78	-	36,999.07
7011	American Senior	235,709.77	558,519.70	568,410.00	225,819.47	3,573.66	222,245.81	-	225,819.47
7511	Miami Springs Senior	122,537.19	432,473.06	460,215.65	94,794.60	16,668.44	78,126.16	-	94,794.60
7541	North Miami Beach Senior	273,513.17	490,390.91	538,311.38	225,592.70	24,214.55	201,378.15	-	225,592.70

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
South Central Regional Center Schools									
0451	Dr. Bowman Foster Ashe Elementary ¹	11,375.71	208,402.92	209,364.59	10,414.04	8,126.72	2,287.32	-	10,414.04
0201	Banyan Elementary	11,178.36	31,890.53	34,425.72	8,643.17	789.24	7,853.93	-	8,643.17
0211	Dr. Manuel C. Barreiro Elementary	21,152.00	352,631.12	351,589.08	22,194.04	21,180.64	1,013.40	-	22,194.04
0251	Ethel Koger Beckham Elementary	15,676.24	331,004.25	331,314.95	15,365.54	978.31	14,387.23	-	15,365.54
0271	Bent Tree Elementary	25,222.57	203,971.05	208,439.47	20,754.15	5,623.00	15,131.15	-	20,754.15
0441	Blue Lakes Elementary	32,002.21	162,115.41	165,981.33	28,136.29	6,437.84	21,698.45	-	28,136.29
0841	Coconut Grove Elementary	40,072.95	130,002.23	133,284.64	36,790.54	13,841.11	22,949.43	-	36,790.54
1001	Coral Park Elementary	25,178.54	431,274.75	432,290.32	24,162.97	6,771.27	17,391.70	-	24,162.97
1081	Coral Terrace Elementary	19,933.61	136,655.89	137,379.36	19,210.14	10,404.08	8,806.06	-	19,210.14
1281	Cypress Elementary	34,211.23	14,639.56	15,651.14	33,199.65	1,361.23	31,838.42	-	33,199.65

Note:

1 Effective 2011-2012, Dr. B. F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. In 2010-2011, schools maintained separate records.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
1371	Marjory Stoneman Douglas Elementary	31,388.16	427,644.88	428,229.46	30,803.58	8,519.71	22,283.87	-	30,803.58
1801	Fairlawn Elementary	34,486.64	141,189.70	150,155.74	25,520.60	8,537.27	16,983.33	-	25,520.60
1841	Flagami Elementary	15,595.70	26,575.07	27,788.34	14,382.43	5,418.19	8,964.24	-	14,382.43
1881	Henry M. Flagler Elementary	4,060.12	230,736.05	223,643.43	11,152.74	8,480.18	2,672.56	-	11,152.74
5061	Dr. Carlos J. Finlay Elementary	18,317.82	32,808.29	34,821.94	16,304.17	2,707.10	13,597.07	-	16,304.17
2331	Charles R. Hadley Elementary	34,678.34	431,259.22	438,354.78	27,582.78	6,880.50	20,702.28	-	27,582.78
2351	Eneida Massas Hartner Elementary	23,593.50	25,509.69	26,155.53	22,947.66	13,928.92	9,018.74	-	22,947.66
2511	Zora Neale Hurston Elementary	19,796.56	212,082.81	208,901.23	22,978.14	15,455.36	7,522.78	-	22,978.14
2741	Key Biscayne K-8 Center	24,502.09	425,190.66	427,841.52	21,851.23	8,903.10	12,948.13	-	21,851.23
2781	Kinloch Park Elementary	46,900.75	118,681.98	117,523.80	48,058.93	3,671.52	44,387.41	-	48,058.93
3061	Ludlam Elementary	34,772.15	193,569.20	194,609.95	33,731.40	7,607.34	26,124.06	-	33,731.40
3191	Ada Merritt K-8 Center	14,984.90	394,445.23	390,719.00	18,711.13	6,912.14	11,798.99	-	18,711.13
4091	Olympia Heights Elementary	8,237.95	31,575.44	30,581.91	9,231.48	7,581.23	1,650.25	-	9,231.48

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
4691	Jane S. Roberts K-8 Center	42,921.13	345,829.87	356,161.77	32,589.23	7,872.82	24,716.41	-	32,589.23
4721	Rockway Elementary	13,805.74	129,469.94	128,072.46	15,203.22	5,506.70	9,696.52	-	15,203.22
4921	Seminole Elementary	25,768.21	30,673.42	31,012.03	25,429.60	12,499.67	12,929.93	-	25,429.60
5241	South Miami K-8 Center	24,177.91	365,450.60	366,144.44	23,484.07	6,612.87	16,871.20	-	23,484.07
5321	Southside Elementary	21,886.40	257,224.79	258,012.42	21,098.77	8,457.65	12,641.12	-	21,098.77
5401	Sunset Elementary	43,956.69	678,518.96	670,159.57	52,316.08	37,380.23	14,935.85	-	52,316.08
5441	Sylvania Heights Elementary	15,439.10	149,767.94	154,404.24	10,802.80	791.00	10,011.80	-	10,802.80
5561	Frances S. Tucker Elementary	5,168.95	37,236.40	34,901.18	7,504.17	5,649.70	1,854.47	-	7,504.17
5641	Village Green Elementary	11,035.60	152,017.59	153,024.61	10,028.58	7,131.17	2,897.41	-	10,028.58
6091	Citrus Grove Middle	31,188.30	40,687.67	42,378.41	29,497.56	4,611.11	24,886.45	-	29,497.56
6121	Ruben Dario Middle	39,828.14	222,393.73	226,154.77	36,067.10	8,365.36	27,701.74	-	36,067.10
6131	Howard A. Doolin Middle ¹	59,048.05	73,014.56	93,040.43	39,022.18	7,752.31	31,269.87	-	39,022.18

Note:

1 Effective 2011-2012, Dr. B. F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. In 2010-2011, schools maintained separate records.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6331	Kinloch Park Middle	51,303.80	113,324.06	114,048.88	50,578.98	13,706.74	36,872.24	-	50,578.98
6441	Howard D. McMillan Middle	38,859.13	187,024.00	191,557.28	34,325.85	7,873.99	26,451.86	-	34,325.85
6841	Shenandoah Middle	21,847.61	154,752.93	149,021.07	27,579.47	10,245.15	17,334.32	-	27,579.47
6881	South Miami Middle	52,033.73	565,305.81	567,061.11	50,278.43	14,954.75	35,323.68	-	50,278.43
6901	W. R. Thomas Middle	27,111.29	137,191.46	138,530.51	25,772.24	5,924.84	19,847.40	-	25,772.24
6961	West Miami Middle	49,953.55	183,914.16	195,486.95	38,380.76	4,492.50	33,888.26	-	38,380.76
7051	G. Holmes Braddock Senior	383,406.63	739,763.89	850,655.21	272,515.31	14,472.75	258,042.56	-	272,515.31
7033	Law Enforcement Officers' Memorial High School	12,373.24	46,963.33	43,251.61	16,084.96	11,072.12	5,012.84	-	16,084.96
7271	Miami Coral Park Senior	206,792.25	625,930.45	663,419.38	169,303.32	12,181.79	157,121.53	-	169,303.32
7901	New World School Of The Arts Senior	52,189.72	161,114.90	166,779.56	46,525.06	6,930.18	39,594.88	-	46,525.06
7056	Young Men's Preparatory Academy Senior	18,567.98	24,503.10	21,454.55	21,616.53	13,098.24	8,518.29	-	21,616.53
<u>South Regional Center Schools</u>									
4421	Pinecrest Elementary	30,362.86	187,767.45	187,277.61	30,852.70	16,175.17	14,677.53	-	30,852.70

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6771	Jorge Mas Canosa Middle	46,225.91	407,637.98	420,603.79	33,260.10	20,368.80	12,891.30	-	33,260.10
6781	Richmond Heights Middle	35,871.33	109,891.80	107,374.33	38,388.80	7,202.40	31,186.40	-	38,388.80
7371	Robert Morgan Educational Center (Senior High) ^{2, 3}	109,391.84	488,335.22	457,043.85	140,683.21	(4,731.97)	145,415.18	-	140,683.21
8911	Robert Morgan Educational Center (Adult Ed. Center) ²	819,703.48	1,868,934.45	1,775,426.89	913,211.04	158,656.06	754,554.98	-	913,211.04
7781	Felix Varela Senior	282,192.31	761,744.53	806,375.17	237,561.67	34,383.33	203,178.34	-	237,561.67
<u>Education Transformation Office (ETO) Schools</u>									
7151	Homestead Senior	117,880.46	298,185.10	337,460.30	78,605.26	7,624.66	70,980.60	-	78,605.26
7251	Miami Central Senior	94,093.73	484,406.77	501,847.02	76,653.48	23,851.10	52,802.38	-	76,653.48
<u>Adult Educational Center</u>									
8139	D. A. Dorsey Educational Center	165,586.88	343,634.90	368,090.11	141,131.67	34,653.13	106,478.54	-	141,131.67
TOTALS		\$4,770,031.50	\$19,600,070.32	\$19,921,424.42	\$ 4,448,677.40	\$957,007.91	\$3,491,669.49	\$ -	\$ 4,448,677.40

Note:

2 At Robert Morgan Educational Center, the senior high school and adult center report to the same principal but maintain separate records. The school is reported as one school audit for two centers.

3 Refer to pages 114-115 regarding the senior high school's deficit operational checking account balance reported at year-end.

CONDENSED ANNUAL FINANCIAL REPORTS AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011


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

Notwithstanding the conditions and findings reported herein, at 74 of the 75 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 2010-2011 fiscal year, on the cash basis of accounting, depending on the school audited. At Homestead Senior, because of the misappropriation of funds and the circumvention of controls over the receipting, depositing and disbursing of funds during the 2010-2011 fiscal year, as further explained on pages 43-50 of this report, the financial statement of the internal funds of the school for the 2010-2011 fiscal year does not fairly present the results of its operations on the cash basis of accounting.

As of June 30, 2011, for all 75 schools reported herein, total combined receipts and disbursements amounted to \$19,600,070.32 and \$19,921,424.42, respectively; while total combined cash and investments amounted to \$4,448,677.40 (Pages 10-16).

As of June 30, 2011, the internal control structure at 74 of the 75 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. At Homestead Senior, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration (Pages 18-23).

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

The internal controls rating of the 16 schools reported herein **with audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Central Regional Center Schools</u>							
Arcola Lake Elementary		✓			✓		Likely to impact
Miami Springs Elementary		✓			✓		Likely to impact
Norland Elementary		✓			✓		Likely to impact
John I. Smith K-8 Center		✓			✓		Likely to impact
American Senior		✓			✓		Likely to impact
North Miami Beach Senior		✓			✓		Likely to impact
<u>South Central Regional Center Schools</u>							
Dr. Carlos J. Finlay Elementary		✓			✓		Likely to impact
G. Holmes Braddock Senior		✓			✓		Likely to impact
Law Enforcement Officers' Memorial High School		✓			✓		Likely to impact
<u>South Regional Center Schools</u>							
Pinecrest Elementary		✓			✓		Likely to impact
Jorge Mas Canosa Middle		✓			✓		Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Robert Morgan Educational Center (Sr. High School and Adult Education Center)		✓			✓		Likely to impact
Felix Varela Senior		✓			✓		Likely to impact
<u>Education Transformation Office (ETO) Schools</u>							
Homestead Senior			✓			✓	Impacted Operations
Miami Central Senior		✓			✓		Likely to impact
<u>Adult Education Center</u>							
D. A. Dorsey Educational Center		✓			✓		Likely to impact

INTERNAL CONTROLS RATING

The internal control ratings for the remaining 59 schools reported herein **without audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Regional Center Schools</u>							
John G. Dupuis Elementary	✓			✓			Not Likely to impact
Norman S. Edelcup/Sunny Isles Beach K-8 Center	✓			✓			Not Likely to impact
Golden Glades Elementary	✓			✓			Not Likely to impact
Ernest R Graham K-8 Center	✓			✓			Not Likely to impact
Hialeah Gardens Elementary	✓			✓			Not Likely to impact
Linda Lentin K-8 Center	✓			✓			Not Likely to impact
Miami Lakes K-8 Center	✓			✓			Not Likely to impact
North Twin Lakes Elementary	✓			✓			Not Likely to impact
Ojus Elementary	✓			✓			Not Likely to impact
Palm Lakes Elementary	✓			✓			Not Likely to impact
Rainbow Park Elementary	✓			✓			Not Likely to impact
Hubert O. Sibley K-8 Center	✓			✓			Not Likely to impact
Henry H. Filer Middle	✓			✓			Not Likely to impact
Hialeah Gardens Middle	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Miami Beach Senior	✓			✓			Not Likely to impact
<u>North Central Regional Center School</u>							
Miami Springs Senior	✓			✓			Not Likely to impact
<u>South Central Regional Center Schools</u>							
Dr. Bowman Foster Ashe Elementary ²	✓			✓			Not Likely to impact
Banyan Elementary	✓			✓			Not Likely to impact
Dr. Manuel C. Barreiro Elementary	✓			✓			Not Likely to impact
Ethel Koger Beckham Elementary	✓			✓			Not Likely to impact
Bent Tree Elementary	✓			✓			Not Likely to impact
Blue Lakes Elementary	✓			✓			Not Likely to impact
Coconut Grove Elementary	✓			✓			Not Likely to impact
Coral Park Elementary	✓			✓			Not Likely to impact
Coral Terrace Elementary	✓			✓			Not Likely to impact
Cypress Elementary	✓			✓			Not Likely to impact
Marjory Stoneman Douglas Elementary	✓			✓			Not Likely to impact

2 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. In 2010-2011, schools maintained separate records. We have reported the results of this school and Howard A. Doolin Middle as *one* school audit.

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Fairlawn Elementary	✓			✓			Not Likely to impact
Flagami Elementary	✓			✓			Not Likely to impact
Henry M. Flagler Elementary	✓			✓			Not Likely to impact
Charles R. Hadley Elementary	✓			✓			Not Likely to impact
Eneida Massas Hartner Elementary	✓			✓			Not Likely to impact
Zora Neale Hurston Elementary	✓			✓			Not Likely to impact
Key Biscayne K-8 Center	✓			✓			Not Likely to impact
Kinloch Park Elementary	✓			✓			Not Likely to impact
Ludlam Elementary	✓			✓			Not Likely to impact
Ada Merritt K-8 Center	✓			✓			Not Likely to impact
Olympia Heights Elementary	✓			✓			Not Likely to impact
Jane S. Roberts K-8 Center	✓			✓			Not Likely to impact
Rockway Elementary	✓			✓			Not Likely to impact
Seminole Elementary	✓			✓			Not Likely to impact
South Miami K-8 Center	✓			✓			Not Likely to impact
Southside Elementary	✓			✓			Not Likely to impact
Sunset Elementary	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Sylvania Heights Elementary	✓			✓			Not Likely to impact
Frances S. Tucker Elementary	✓			✓			Not Likely to impact
Village Green Elementary	✓			✓			Not Likely to impact
Citrus Grove Middle	✓			✓			Not Likely to impact
Ruben Dario Middle	✓			✓			Not Likely to impact
Howard A. Doolin Middle ²	✓			✓			Not Likely to impact
Kinloch Park Middle	✓			✓			Not Likely to impact
Howard D. McMillan Middle	✓			✓			Not Likely to impact
Shenandoah Middle	✓			✓			Not Likely to impact
South Miami Middle	✓			✓			Not Likely to impact
W. R. Thomas Middle	✓			✓			Not Likely to impact
West Miami Middle	✓			✓			Not Likely to impact
Miami Coral Park Senior	✓			✓			Not Likely to impact
New World School Of The Arts Senior	✓			✓			Not Likely to impact
Young Men's Preparatory Academy Senior	✓			✓			Not Likely to impact
<u>South Regional Center Schools</u>							
Richmond Heights Middle	✓			✓			Not Likely to impact

2 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. In 2010-2011, schools maintained separate records. We have reported the results of this school and Dr. B. F. Ashe Elementary as *one* school audit.

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings of the 16 schools reported herein **with audit exceptions** are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Central Regional Center Schools</u>					
0101	Arcola Lake Elementary	1	▪ FTE-ELL	None	
3381	Miami Springs Elementary	1	▪ Bookkeeping Function/PTA Activities	None	
3701	Norland Elementary	1	▪ FTE-ELL	None	
5101	John I. Smith K-8 Center	2	▪ FTE SPED ▪ FTE-ELL	None	
7011	American Senior	1	▪ Receipts and Disbursements	None	
7541	North Miami Beach Senior	1	▪ FTE-ELL	None	
<u>South Central Regional Center Schools</u>					
5061	Dr. Carlos J. Finlay Elementary	1	▪ FTE-ELL	None	
7051	G. Holmes Braddock Senior	1	▪ Athletic Fund	1	▪ P. E. Uniform Sales
7033	Law Enforcement Officers' Memorial High School	3	▪ Receipts ▪ Disbursements ▪ Yearbook	None	
<u>South Regional Center Schools</u>					
4421	Pinecrest Elementary	1	▪ Disbursements	None	
6771	Jorge Mas Canosa Middle	2	▪ Bookkeeping ▪ FTE-ELL	None	
7371/8911	Robert Morgan Educational Center	3	▪ Bookkeeping ▪ Yearbook ▪ Payroll	2	▪ Fundraising ▪ Payroll

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
7781	Felix Varela Senior	1	▪ Disbursements	None	
<u>Education Transformation Office (ETO) Schools</u>					
7151	Homestead Senior	4	▪ Misappropriation of Funds ▪ Disbursements ▪ P-Card ▪ Student Activities	1	▪ Fin. Mgt.
7251	Miami Central Senior	2	▪ Athletic Fund ▪ FTE-ELL	2	▪ Disbursements ▪ Payroll
<u>Adult Education Center</u>					
8139	D. A. Dorsey Educational Center	5	▪ Bookkeeping ▪ Disbursements ▪ P-Card ▪ Bookstore ▪ Property	3	▪ Fin. Mgt. ▪ Receipts ▪ Disbursements
TOTAL		30		9	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings of the remaining 59 schools reported herein **without audit exceptions** are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
North Regional Center Schools					
1481	John G. Dupuis Elementary	None		None	
0092	Norman S. Edelcup/Sunny Isles Beach K-8 Center	None		None	
2161	Golden Glades Elementary	None		None	
5051	Ernest R Graham K-8 Center	None		None	
2111	Hialeah Gardens Elementary	None		None	
2911	Linda Lentin K-8 Center	None		None	
3281	Miami Lakes K-8 Center	None		None	
3981	North Twin Lakes Elementary	None		None	
4061	Ojus Elementary	None		None	
4241	Palm Lakes Elementary	None		None	
4541	Rainbow Park Elementary	None		None	
5141	Hubert O. Sibley K-8 Center	None		None	
6171	Henry H. Filer Middle	None		None	
6751	Hialeah Gardens Middle	None		None	
7201	Miami Beach Senior	None		None	
North Central Regional Center School					
7511	Miami Springs Senior	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
South Central Regional Center Schools					
0451	Dr. Bowman Foster Ashe Elementary ³	None		None	
0201	Banyan Elementary	None		None	
0211	Dr. Manuel C. Barreiro Elementary	None		None	
0251	Ethel Koger Beckham Elementary	None		None	
0271	Bent Tree Elementary	None		None	
0441	Blue Lakes Elementary	None		None	
0841	Coconut Grove Elementary	None		None	
1001	Coral Park Elementary	None		None	
1081	Coral Terrace Elementary	None		None	
1281	Cypress Elementary	None		None	
1371	Marjory Stoneman Douglas Elementary	None		None	
1801	Fairlawn Elementary	None		None	
1841	Flagami Elementary	None		None	
1881	Henry M. Flagler Elementary	None		None	
2331	Charles R. Hadley Elementary	None		None	
2351	Eneida Massas Hartner Elementary	None		None	
2511	Zora Neale Hurston Elementary	None		None	

3 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Center. In 2010-2011, schools maintained separate records. We have reported the results of this school and Howard A. Doolin Middle as *one* school audit.

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
2741	Key Biscayne K-8 Center	None		None	
2781	Kinloch Park Elementary	None		None	
3061	Ludlam Elementary	None		None	
3191	Ada Merritt K-8 Center	None		None	
4091	Olympia Heights Elementary	None		None	
4691	Jane S. Roberts K-8 Center	None		None	
4721	Rockway Elementary	None		None	
4921	Seminole Elementary	None		None	
5241	South Miami K-8 Center	None		None	
5321	Southside Elementary	None		None	
5401	Sunset Elementary	None		None	
5441	Sylvania Heights Elementary	None		None	
5561	Frances S. Tucker Elementary	None		None	
5641	Village Green Elementary	None		None	
6091	Citrus Grove Middle	None		None	
6121	Ruben Dario Middle	None		None	
6131	Howard A. Doolin Middle ³	None		None	
6331	Kinloch Park Middle	None		None	
6441	Howard D. McMillan Middle	None		None	

3 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. In 2010-2011, schools maintained separate records. We have reported the results of this school and Dr. B. F. Ashe Elementary as *one* school audit.

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
+6841	Shenandoah Middle	None		None	
6881	South Miami Middle	None		None	
6901	W. R. Thomas Middle	None		None	
6961	West Miami Middle	None		None	
7271	Miami Coral Park Senior	None		None	
7901	New World School Of The Arts Senior	None		None	
7056	Young Men's Preparatory Academy Senior	None		None	
<u>South Regional Center School</u>					
6781	Richmond Heights Middle	None		None	
TOTAL		None		None	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the 16 schools **with audit exceptions**. The **highlighted name(s)** represents the **principal(s)/administrator(s)** in charge of the school during the audit period:

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>North Central Regional Center Schools</u>			
0101	Arcola Lake Elementary	Ms. Vanady A. Daniels	N/A = No Change of Principal Since Prior Audit.
3381	Miami Springs Elementary	Ms. Sally M. Hutchings	N/A = No Change of Principal Since Prior Audit.
3701	Norland Elementary	Ms. Karen S. Powers	N/A = No Change of Principal Since Prior Audit.
5101	John I. Smith K-8 Center	Ms. Gwendolyn C. Hines	N/A = No Change of Principal Since Prior Audit.
7011	American Senior	Mr. Luis E. Diaz	N/A = No Change of Principal Since Prior Audit.
7541	North Miami Beach Senior	Mr. Raymond L. Fontana	N/A = No Change of Principal Since Prior Audit.
<u>South Central Regional Center Schools</u>			
5061	Dr. Carlos J. Finlay Elementary	Ms. Cecilia C. Sanchez	N/A = No Change of Principal Since Prior Audit.
7051	G. Holmes Braddock Senior	Mr. Manuel S. Garcia	N/A = No Change of Principal Since Prior Audit.
7033	Law Enforcement Officers' Memorial High School	Mr. Christopher J. Shinn	N/A = No Change of Principal Since Prior Audit.
<u>South Regional Center Schools</u>			
4421	Pinecrest Elementary	Ms. Marisol Diaz	N/A = No Change of Principal Since Prior Audit.
6771	Jorge Mas Canosa Middle	Mr. Juan C. Silva	N/A = No Change of Principal Since Prior Audit.
7371/8911	Robert Morgan Educational Center	Ms. Kimberly Y. Davis	N/A = No Change of Principal Since Prior Audit.
7781	Felix Varela Senior ⁴	Ms. Nery P. Fins	Ms. Luz Navarro (Through June 2011; presently on leave).

⁴ Change of Principal since previous audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>Education Transformation Office (ETO) Schools</u>			
7151	Homestead Senior ⁴	Ms. Cory R. Rodriguez	Dr. Lisa R. Robertson (Through June 2011; presently Principal at John A. Ferguson Senior High School).
7251	Miami Central Senior	Ms. Rennina L. Turner	N/A = No Change of Principal Since Prior Audit.
<u>Adult Education Center</u>			
8139	D. A. Dorsey Educational Center	Ms. Gloria F. Evans	N/A = No Change of Principal Since Prior Audit.

⁴ Change of Principal since previous audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the remaining 59 schools **without audit exceptions**. The **highlighted name(s)** represents the principal(s)/administrator(s) in charge of the school during the audit period:

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>North Regional Center Schools</u>			
1481	John G. Dupuis Elementary	Ms. Claudine Winsor	N/A = No Change of Principal Since Prior Audit.
0092	Norman S. Edelcup/Sunny Isles Beach K-8 Center	Dr. Annette H. Weissman	N/A = No Change of Principal Since Prior Audit.
2161	Golden Glades Elementary	Mr. Theron A. Clark	N/A = No Change of Principal Since Prior Audit.
5051	Ernest R Graham K-8 Center	Ms. Mayra Alfaro	N/A = No Change of Principal Since Prior Audit.
2111	Hialeah Gardens Elementary	Mr. Rouben J. Yaghdjian	N/A = No Change of Principal Since Prior Audit.
2911	Linda Lentin K-8 Center	Ms. Agenoria T. Powell	N/A = No Change of Principal Since Prior Audit.
3281	Miami Lakes K-8 Center	Ms. Rosa L. Calvo	N/A = No Change of Principal Since Prior Audit.
3981	North Twin Lakes Elementary	Ms. Richelle T. Lumpkin	N/A = No Change of Principal Since Prior Audit.
4061	Ojus Elementary	Dr. Marta M. Mejia	N/A = No Change of Principal Since Prior Audit.
4241	Palm Lakes Elementary	Ms. Alina Q. Iglesias	N/A = No Change of Principal Since Prior Audit.
4541	Rainbow Park Elementary	Ms. Robin T. Armstrong	N/A = No Change of Principal Since Prior Audit.
5141	Hubert O. Sibley K-8 Center	Mr. Michael J. Charlot	N/A = No Change of Principal Since Prior Audit.
6171	Henry H. Filer Middle	Ms. Deborah L. Love	N/A = No Change of Principal Since Prior Audit.
6751	Hialeah Gardens Middle	Ms. Maritza D. Jimenez	N/A = No Change of Principal Since Prior Audit.
7201	Miami Beach Senior	Dr. Rosann P. Sidener	N/A = No Change of Principal Since Prior Audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
<u>North Central Regional Center School</u>			
7511	Miami Springs Senior ⁴	Ms. Anna L. Rodriguez	Mr. Thomas P. Ennis (Through October 2011; presently Principal at Miami Killian Senior High School).
<u>South Central Regional Center Schools</u>			
0451	Dr. Bowman F. Ashe Elementary ⁵	Mr. Eliseo Hernandez	N/A = No Change of Principal Since Prior Audit.
0201	Banyan Elementary	Ms. Cheri A. Davis	N/A = No Change of Principal Since Prior Audit.
0211	Dr. Manuel C. Barreiro Elementary	Ms. Patricia M. Garcia	N/A = No Change of Principal Since Prior Audit.
0251	Ethel Koger Beckham Elementary	Ms. Maria E. Tavel-Visiedo	N/A = No Change of Principal Since Prior Audit.
0271	Bent Tree Elementary	Dr. Miguel A. Balsera	N/A = No Change of Principal Since Prior Audit.
0441	Blue Lakes Elementary	Ms. Aida M. Marrero	N/A = No Change of Principal Since Prior Audit.
0841	Coconut Grove Elementary	Dr. Sharon M. Lopez	N/A = No Change of Principal Since Prior Audit.
1001	Coral Park Elementary	Ms. Maria F. Nuñez	N/A = No Change of Principal Since Prior Audit.
1081	Coral Terrace Elementary	Ms. Eva N. Ravelo	N/A = No Change of Principal Since Prior Audit.
1281	Cypress Elementary	Ms. Melanie L. Visnich	N/A = No Change of Principal Since Prior Audit.
1371	Marjory Stoneman Douglas Elementary	Mr. Rodolfo Rodriguez	N/A = No Change of Principal Since Prior Audit.
1801	Fairlawn Elementary	Ms. Amelia P. Leth	N/A = No Change of Principal Since Prior Audit.
1841	Flagami Elementary	Dr. Kathleen P. Caballero	N/A = No Change of Principal Since Prior Audit.

4 Change of Principal since previous audit.

5 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. Mr. Eliseo Hernandez remained as principal of the K-8 Academy.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
1881	Henry M. Flagler Elementary	Dr. Orlando B. Gonzalez	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.
2351	Eneida Massas Hartner Elementary	Dr. Derick R. McKoy	N/A = No Change of Principal Since Prior Audit.
2511	Zora Neale Hurston Elementary	Ms. Isabel G. Valenzano	N/A = No Change of Principal Since Prior Audit.
2741	Key Biscayne K-8 Center	Ms. Silvia Tarafa	N/A = No Change of Principal Since Prior Audit.
2781	Kinloch Park Elementary	Ms. Martha M. Muñoz	N/A = No Change of Principal Since Prior Audit.
3061	Ludlam Elementary	Dr. Georgette C. Menocal	N/A = No Change of Principal Since Prior Audit.
3191	Ada Merritt K-8 Center	Ms. Carmen M. Garcia	N/A = No Change of Principal Since Prior Audit.
4091	Olympia Heights Elementary	Ms. Francisca C. Nobregas	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.
4921	Seminole Elementary	Ms. Lourdes A. Lopez	N/A = No Change of Principal Since Prior Audit.
5241	South Miami K-8 Center	Ms. Anamarie G. Moreiras	N/A = No Change of Principal Since Prior Audit.
5321	Southside Elementary	Mr. Salvatore Schiavone	N/A = No Change of Principal Since Prior Audit.
5401	Sunset Elementary	Dr. Marlene Leyte Vidal	N/A = No Change of Principal Since Prior Audit.
5441	Sylvania Heights Elementary	Ms. Amor Reyes	N/A = No Change of Principal Since Prior Audit.
5561	Frances S. Tucker Elementary	Ms. Annette DeGoti	N/A = No Change of Principal Since Prior Audit.
5641	Village Green Elementary	Mr. Henry Fernandez	N/A = No Change of Principal Since Prior Audit.
6091	Citrus Grove Middle	Ms. Emirce Ladaga	N/A = No Change of Principal Since Prior Audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal/Administrator
6121	Ruben Dario Middle	Dr. Verona C. McCarthy	N/A = No Change of Principal Since Prior Audit.
6131	Howard A. Doolin Middle ⁶	Mr. Eliseo Hernandez	Mr. Eduardo Tillet, Jr. (Through June 2011); presently Assistant Principal at Winston Park K-8 Center.
6331	Kinloch Park Middle	Mr. Scott A. Weiner	N/A = No Change of Principal Since Prior Audit.
6441	Howard D. McMillan Middle	Ms. Hilca Thomas	N/A = No Change of Principal Since Prior Audit.
6841	Shenandoah Middle	Ms. Lourdes F. Delgado	N/A = No Change of Principal Since Prior Audit.
6881	South Miami Middle	Ms. Evonne S. Alvarez	N/A = No Change of Principal Since Prior Audit.
6901	W. R. Thomas Middle	Ms. Lisa L. Pizzimenti	N/A = No Change of Principal Since Prior Audit.
6961	West Miami Middle	Dr. Colleen M. Del Terzo	N/A = No Change of Principal Since Prior Audit.
7271	Miami Coral Park Senior	Dr. Nicholas P. JacAngelo	N/A = No Change of Principal Since Prior Audit.
7901	New World School Of The Arts Senior	Ms. Lisa S. Noffo	N/A = No Change of Principal Since Prior Audit.
7056	Young Men's Preparatory Academy Senior	Mr. Leonard J. Ruan	N/A = No Change of Principal Since Prior Audit.
<u>South Regional Center School</u>			
6781	Richmond Heights Middle	Ms. Kristal B. Hickmon	N/A = No Change of Principal Since Prior Audit.

6 Effective 2011-2012, Dr. Bowman F. Ashe Elementary and Howard A. Doolin Middle School merged into Bowman Ashe/Doolin K-8 Academy. *Similar* to a change of Principal since Mr. Eliseo Hernandez, Principal of Bowman Foster Ashe Elementary became Principal of the K-8 Academy.

PROPERTY SCHEDULES

The results of the property inventories of the 99 schools reported herein are as follows:

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
North Regional Center Schools								
0481	James H. Bright Elementary ¹	149	\$ 332,180	2	\$ 3,863	\$ -	-	-
1481	John G. Dupuis Elementary ²	-						
0092	Norman S. Edelcup/Sunny Isles Beach K-8 Center ²	-						
2161	Golden Glades Elementary ²	-						
0091	Bob Graham Educational Center ¹	236	498,713	-	-	-	-	-
5051	Ernest R Graham K-8 Center ²	-						
2111	Hialeah Gardens Elementary ²	-						
4121	Dr. Robert B. Ingram Elementary ³	132	406,989	-	-	-	-	-
2911	Linda Lentin K-8 Center ²	-						
3281	Miami Lakes K-8 Center ²	-						
3981	North Twin Lakes Elementary ²	-						
4061	Ojus Elementary ²	-						
4241	Palm Lakes Elementary ²	-						
4541	Rainbow Park Elementary ²	-						
4961	Shadowlawn Elementary ¹	147	307,409	-	-	-	-	-
5021	Ben Sheppard Elementary ¹	171	377,361	-	-	-	3	\$ 4,143
5141	Hubert O. Sibley Elementary ²	-						
6171	Henry H. Filer Middle ²	-						
6751	Hialeah Gardens Middle ²	-						
7048	Alonzo and Tracy Mourning Senior ¹	294	1,107,586	-	-	-	-	-

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7191	Hialeah Gardens Senior ³	612	2,092,146	-	-	-	-	-
7201	Miami Beach Senior	581	1,817,918	-	-	-	-	-
7049	Westland Hialeah Senior ¹	398	1,337,927	-	-	-	-	-
<u>North Central Regional Center Schools</u>								
0101	Arcola Lake Elementary	76	184,315	-	-	-	-	-
0401	Van E. Blanton Elementary ³	68	201,255	-	-	-	-	-
0461	Brentwood Elementary ³	299	559,001	-	-	-	-	-
1401	Charles R. Drew Elementary ³	166	303,820	-	-	-	1	1,369
3381	Miami Springs Elementary	105	220,721	-	-	-	-	-
3701	Norland Elementary	380	590,627	-	-	-	-	-
4301	Parkview Elementary ³	47	149,982	-	-	-	-	-
4491	Henry E. S. Reeves Elementary ¹	90	286,901	-	-	-	-	-
5081	Skyway Elementary ³	63	179,321	-	-	-	-	-
5101	John I. Smith K-8 Center	142	358,519	-	-	-	-	-
7011	American Senior	583	1,544,023	-	-	-	-	-
7511	Miami Springs Senior	467	1,184,571	-	-	-	-	-
7541	North Miami Beach Senior	546	1,386,014	-	-	-	-	-
<u>South Central Regional Center Schools</u>								
0451	Dr. Bowman F. Ashe Elementary ^{2, 4}	-						
0121	Auburndale Elementary ³	176	397,827	-	-	-	-	-
0201	Banyan Elementary	101	251,688	-	-	-	-	-
0211	Dr. Manuel C. Barreiro Elementary	102	443,959	-	-	-	-	-

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

4 School consolidated with Howard A. Doolin Md. to become Bowman Ashe/Doolin K-8 Academy in 2011-2012. *One consolidated property audit in 2012-2013.*

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
0251	Ethel K. Beckham Elementary	83	209,792	-	-	-	-	-
0271	Bent Tree Elementary	95	247,083	-	-	-	-	-
0441	Blue Lakes Elementary	139	500,684	-	-	-	-	-
0721	George W. Carver Elementary ³	184	260,413	-	-	-	-	-
0801	Citrus Grove Elementary ³	111	263,949	-	-	-	-	-
0841	Coconut Grove Elementary	68	150,833	-	-	-	-	-
0961	Coral Gables K-8 Preparatory ³	122	346,175	-	-	-	-	-
1001	Coral Park Elementary	81	192,468	-	-	-	-	-
1081	Coral Terrace Elementary	158	271,392	1	1,549	-	-	-
1281	Cypress Elementary	113	239,039	-	-	-	-	-
1371	Marjory Stoneman Douglas Elementary	108	335,861	-	-	-	-	-
1721	Everglades K-8 Center ¹	174	471,216	-	-	-	-	-
1801	Fairlawn Elementary	97	210,189	-	-	-	-	-
1841	Flagami Elementary	160	333,671	-	-	-	-	-
1881	Henry M. Flagler Elementary	126	275,225	-	-	-	-	-
5061	Dr. Carlos J. Finlay Elementary	112	359,030	-	-	-	-	-
2331	Charles R. Hadley Elementary	172	391,546	-	-	-	-	-
2351	Eneida M. Hartner Elementary	96	330,704	-	-	-	-	-
2511	Zora N. Hurston Elementary	96	243,559	-	-	-	-	-
2661	Kensington Park Elementary ³	202	557,488	-	-	-	-	-
2741	Key Biscayne K-8 Center	367	658,341	-	-	-	-	-
2781	Kinloch Park Elementary	105	261,707	-	-	-	-	-

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
3061	Ludlam Elementary	103	243,314	-	-	-	-	-
3191	Ada Merritt K-8 Center	113	252,451	-	-	-	-	-
4091	Olympia Heights Elementary	117	241,757	-	-	-	-	-
4681	Riverside Elementary ³	75	240,346	-	-	-	-	-
4691	Jane S. Roberts K-8 Center	209	462,221	-	-	-	-	-
4721	Rockway Elementary	76	188,174	-	-	-	-	-
4741	Royal Green Elementary ¹	132	339,987	-	-	-	-	-
4921	Seminole Elementary	92	202,797	-	-	-	-	-
5001	Shenandoah Elementary ¹	153	327,127	-	-	-	-	-
5241	South Miami K-8 Center	259	744,820	-	-	-	-	-
5321	Southside Elementary	175	456,199	-	-	-	-	-
5401	Sunset Elementary	143	297,089	-	-	-	-	-
5431	Sweetwater Elementary ³	122	369,543	-	-	-	-	-
5441	Sylvania Heights Elementary	115	262,582	-	-	-	-	-
5561	Frances S. Tucker Elementary	99	260,474	-	-	-	-	-
5641	Village Green Elementary	82	168,645	-	-	-	-	-
6041	Paul Bell Middle ³	323	721,488	-	-	-	-	-
6071	George W. Carver Middle ³	222	504,201	-	-	-	-	-
6091	Citrus Grove Middle	303	685,496	-	-	-	-	-
6921	Lamar Louise Curry Middle ¹	407	914,934	-	-	-	-	-
6121	Ruben Dario Middle ²	-						
6131	Howard A. Doolin Middle ^{2, 4}	-						
6052	Zelda Glazer Middle ¹	147	673,807	-	-	-	-	-
6331	Kinloch Park Middle	250	585,907	-	-	-	-	-

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

4 School consolidated with Dr. B. F. Ashe El. to become Bowman Ashe/Doolin K-8 Academy in 2011-2012. *One consolidated property audit in 2012-2013.*

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6441	Howard McMillan Middle	536	967,787	-	-	-	-	-
6841	Shenandoah Middle	423	716,407	-	-	-	-	-
6881	South Miami Middle	273	634,898	-	-	-	-	-
6901	W. R. Thomas Middle	246	599,298	-	-	-	-	-
6961	West Miami Middle	258	525,992	-	-	-	-	-
7051	G. Holmes Braddock Senior	767	1,934,744	-	-	-	-	-
7571	International Studies Preparatory Academy ^{1, 5}	24	88,939	-	-	-	N/A-New school.	
7033	Law Enforcement Officers' Memorial High	93	237,031	-	-	-	-	-
7271	Miami Coral Park Senior	653	2,807,774	-	-	-	-	-
7901	New World School Of The Arts Sr.	150	325,027	-	-	-	-	-
7029	TERRA Enviromental Research Inst. ¹	355	1,445,028	-	-	-	-	-
7056	Young Men's Preparatory Academy	159	632,195	-	-	-	-	-
<u>South Regional Center Schools</u>								
1691	Christina M. Eve Elementary ³	104	281,579	-	-	-	-	-
4421	Pinecrest Elementary	150	285,584	-	-	-	-	-
5671	Vineland K-8 Center ³	210	511,606	-	-	-	-	-
6771	Jorge Mas Canosa Middle	329	718,507	-	-	-	-	-
6431	Mays Middle ³	271	669,862	-	-	-	-	-
6761	Redland Middle ³	318	675,220	-	-	-	-	-
6781	Richmond Heights Middle	397	965,132	-	-	-	-	-
7371	Robert Morgan Educational Center (Sr.) ⁶	467	1,241,111	-	-	-	-	-
8911	Robert Morgan Ed Center (Adult Ed.) ⁶	930	3,114,497	-	-	-	-	-
7041; 7061; 7091; 7551	School for Advanced Studies ¹	44	78,485	-	-	-	-	-

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

5 First property audit at this school (1 school). Results of school audit with no exceptions reported in May 2012.

6 Senior high school and adult center report to the same principal but maintain separate records. The school is reported as *one* school audit.

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7781	Felix Varela Senior	1162	2,895,167	-	-	-	-	-
<u>Education Transformation Office (ETO) Schools</u>								
7151	Homestead Senior	622	1,541,719	-	-	-	-	-
7251	Miami Central Senior	1145	3,289,555	-	-	-	-	-
<u>Adult Education Centers</u>								
8139	D. A. Dorsey Educational Center	205	558,788	5	10,845	-	-	-
7841	The English Center ¹	242	481,853	-	-	-	-	-
7272	Miami Coral Park Adult Ed. Center ³	137	289,217	-	-	-	-	-
7432	Miami Palmetto Adult Ed. Center ³	61	94,778	-	-	-	2	2,150
7512	Miami Springs Adult Ed. Center ³	78	143,085	-	-	-	-	-
7532	Miami Sunset Senior Adult Ed. Center ³	80	133,217	2	4,871	\$ 490	-	-
TOTAL		23,706	\$ 61,658,579	10	\$ 21,128	\$ 490	6	\$ 7,662

Notes:

1 Property results pending publication until now (16 schools).

2 Property inventory could not be completed by the time of this publication. Results to be published next fiscal year (16 schools).

3 Property inventory conducted in anticipation of the financial audit. School financial audit to be reported as a two-year audit in 2012-2013 (24 schools).

PROPERTY SCHEDULES

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

Work Location No.	Schools	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)		Total Depreciated Value
					Computers	Other	
<u>North Regional Center School</u>							
7191	Hialeah Gardens Senior	1	1	\$ 1,995	-	\$ 1,995	\$ 1,552
<u>North Central Regional Center Schools</u>							
0101	Arcola Lake Elementary	1	3	5,197	\$ 5,197	-	-
0401	Van E. Blanton Elementary	1	1	5,706	-	5,706	4,153
<u>South Central Regional Center Schools</u>							
0121	Auburndale Elementary	1	1	1,275	-	1,275	584
2661	Kensington Park Elementary	2	2	2,118	1,038	1,080	-
2781	Kinloch Park Elementary	1	1	2,675	-	2,675	-
5241	South Miami K-8 Center	1	1	1,242	1,242	-	207
6881	South Miami Middle	1	2	3,364	3,364	-	-
7051	G. Holmes Braddock Senior	1	1	1,624	-	1,624	524
7056	Young Men's Preparatory Academy	1	1	2,234	2,234	-	633
<u>South Regional Center Schools</u>							
6771	Jorge Mas Canosa Middle	1	1	1,124	1,124	-	300
7371	Robert Morgan Educational Center (Sr.)	1	1	1,580	1,580	-	1,090
7781	Felix Varela Senior	2	2	5,879	-	5,879	1,242
<u>Education Transformation Office (ETO) School</u>							
7251	Miami Central Senior	1	1	1,200	1,200	-	-
TOTAL		16	19	\$ 37,213	\$ 16,979	\$ 20,234	\$ 10,285

Note: *Other Equipment* mostly includes custodial equipment and one golf cart that was vandalized.

FINDINGS AND RECOMMENDATIONS

1. Improper Controls Over The Bookkeeping Function Led To Misappropriation Of Funds By The Former Treasurer *Homestead Senior*

Section II, Chapters 2 and 4 of the *Manual of Internal Fund Accounting* establish that the principal is ultimately responsible for monitoring and administering the revenue generated from internal funds activities and for authorizing purchases made. Procedures also require that money collected be submitted in the same form as it was received; and third party checks may not be cashed from the collections.

Initially, during the regular course of the audit, we uncovered discrepancies in several internal funds deposit packages corresponding to the 2010-2011 fiscal year. The former treasurer was responsible for the handling of these funds and the preparation of the deposits. Upon our inquiries, on January 12, 2012, she confessed in writing to having “borrowed” an unspecified amount of school funds for personal use and still owing \$590 from the funds “borrowed”. However, based on our findings, we concluded that the total amount she declared in her confession as misappropriated was substantially understated.

Our review of the school’s financial activity corresponding to the 2010-2011 and 2011-2012 fiscal years up to January 2012, disclosed theft, substitution of cash and unaccounted for collections totaling \$24,062.

Upon the former treasurer’s confession, the current school principal referred the case to the Miami-Dade Schools Police for further consideration of criminal charges. The former treasurer was subsequently arrested and the case referred to the State Attorney’s Office where it has been set for a pre-trial hearing.

A breakdown of the documented theft, unaccounted for collections and diverted disbursements identified during the audit is summarized in the following table:

2010-2011				
	Total	Documented Theft	Unaccounted for Collections	Disbursements Diverted to Other Accounts
ACCOUNT				
ESE	\$ 5,332 ⁽⁸⁾	\$ 1,580 ⁽¹⁰⁾	\$ 3,752 ⁽⁹⁾	\$ 4,496 ⁽¹²⁾
Nursing Account	1,340	1,340 ⁽¹⁴⁾	-	-
Material Tickets	1,315	1,315 ⁽¹⁵⁾	-	516 ⁽¹⁶⁾
Cheerleaders/Dance	3,500	-	3,500 ⁽¹⁸⁾	-
TOTAL 2010-2011	\$ 11,487	\$ 4,235	\$ 7,252	\$ 5,012
2011-2012				
ACCOUNT				
ESE	\$ 2,931	\$ -	\$ 2,931 ⁽¹¹⁾	\$ 1,203 ⁽¹³⁾
Nursing Account	-	-	-	-
Material Tickets	1,225	1,225 ⁽¹⁷⁾	-	-
Cheerleaders/Dance	2,200	-	2,200 ⁽¹⁹⁾	1,003 ⁽²⁰⁾
Field Trip (Ballet)	480	480 ⁽²²⁾	-	336 ⁽²³⁾
Field Trip (Strike Miami)	1,675	-	1,675 ⁽²¹⁾	-
Missing Deposits January 2012	1,137	1,137 ⁽⁷⁾	-	-
TOTAL 2011-2012	\$ 9,648	\$ 2,842	\$ 6,806	\$ 2,542
Total theft and unaccounted for collections	21,135 ⁽¹⁾	7,077 ⁽³⁾	14,058 ⁽⁵⁾	-
Substitution of Cash 2010-2011	2,927	2,927 ⁽²⁾	-	-
GRAND TOTAL	\$ 24,062	\$ 10,004⁽⁴⁾	\$ 14,058	\$ 7,554⁽⁶⁾

Note: The amounts included in this table are explained below and have been identified by corresponding superscripts.

Subsequent to our initial discovery of the defalcation of funds, we extended the scope of our review to the 2011-2012 fiscal year up to January 2012, and found that the school could not account for collections totaling \$21,135⁽¹⁾. Closer review of the deposits' documentation, obtained directly from the bank, disclosed that cash collected and receipted in the school's automated accounting system totaling \$2,927⁽²⁾ was substituted with third-party checks received by the school but never recorded in the system. We were able to directly connect the former treasurer to these substitutions and to an additional amount of \$7,077⁽³⁾, making the total documented defalcation \$10,004⁽⁴⁾.

Regarding the remaining unaccounted for collections of \$14,058⁽⁵⁾, we were unable to determine the extent of the involvement of the former treasurer or other individuals, due

to inadequate and inconsistent receipting procedures at the school (which prevented the establishment of a clear chain of custody over the collections in question), and inadequate supervisory controls over the bookkeeping activities (which allowed for irregularities to remain undetected and compromised the fidelity of the accounting records).

Regarding the \$7,077⁽³⁾ theft that can be directly tied to the treasurer's scheme to defraud, our review uncovered many instances where the former treasurer would use the same official receipt number twice. In lieu of official receipts from the automated accounting system, she provided sponsors with recaps of collections that listed official receipt numbers which actually corresponded to collections from other accounts. This scheme would give the false appearance that she had recorded the collections in the system and thus conceal her theft. We identified one instance (Field Trip-Ballet) where the former treasurer printed the account's Available Funds Report and falsified revenues reported (by copying and pasting a number to the report) to simulate that the account had available funds (when the account balance was actually zero). Tallies maintained by the Culinary Arts instructors of those students who paid their class fees directly to the former treasurer, assisted in calculating amounts collected by the former treasurer but not deposited or posted to the corresponding Instructional Aids and Fees account.

The former treasurer's cover-up to prevent deficits from surfacing in the affected accounts, and thus discovery of the theft, included diverting the corresponding disbursements to other accounts with available balance. We found several instances where the former treasurer altered disbursement documentation and forged sponsors' signatures to conceal the source of the activity/account. Total disbursements diverted to other accounts using this scheme totaled \$7,554⁽⁶⁾.

In addition to the cover-up, we identified two deposit packages consisting of cash collections totaling \$1,137⁽⁷⁾ and dated around the time of our fraud discovery, which could not be traced to any bank statement. In addition to the money losses, we found many instances where the former treasurer withheld the deposit of funds for extended periods of time. In her confession she admitted to "borrowing" funds and replacing them at a later date, which explains these delays.

In reference to the inadequate controls over the bookkeeping function, it appears that in an effort to free faculty members from tasks not related to the curriculum, the school administrations had disengaged them from most of the fee collection activity. This placed the former treasurer in a position that allowed her to significantly increase her control over the collection of funds school-wide.

Faculty and activity sponsors interviewed claimed these conditions left them with little or no control over account activities and balances, since the former treasurer would not provide them with information related to their accounts. They also claimed that due to her flexible schedule, the former treasurer was often not at her post, which made it difficult for staff members to reach her. In addition, the school administrator overseeing the internal funds activity up to December 2011, expressed to us during his interview

that he reviewed the disbursement documentation when it was provided to him for signature. However, he acknowledged that he did not conduct subsequent reviews which would have shown disbursement records that were being altered by the former treasurer after-the-fact. He also stated that the former treasurer was responsible for the preparation and review of the Student Activity Operating Reports and that he only signed them. These reports summarize the financial activities of school fundraisers and are required to be completed and filed as part of the internal funds documentation of the school.

Details of the misappropriation and its effect on the activities and financial transactions, are as follows:

All collections must be supported by a Recap of Collections form. This form summarizes collection information regarding the account structure, the source of the collections, the amount tendered, and other pertinent information. Once this information is entered into the automated accounting system, the treasurer must record in the Recap of Collections form the computer generated receipt number of the transactions, as a reference to where it was posted in the system. However, in the instances that follow, the Recap of Collections forms provided to the sponsors by the former treasurer contained fictitious information, since the computer generated receipt number listed in some of the recaps provided to us by the sponsors did not match any posting in their respective accounts.

- 1.1. During the 2010-2011 fiscal year, a cookie fundraiser conducted for the benefit of the ESE Department, disclosed a shortfall of \$5,332⁽⁸⁾ between potential sales of \$7,320 and deposits of \$1,988 posted to the account. According to the sponsor, she turned in all proceeds for deposit; however, the former treasurer would not always provide her with a receipt. Collections amounting to \$3,752⁽⁹⁾ could not be traced to any computer generated receipt or deposit. However, the sponsor provided many recaps of collections totaling \$1,580⁽¹⁰⁾, which contained computer generated receipt numbers provided by the former treasurer, that corresponded to other collections not associated to this account. We extended testing to the current year for another ESE cookie fundraiser handled by the same sponsor and also noted a shortfall of \$2,931⁽¹¹⁾. Additionally, we determined that the former treasurer had purposely diverted disbursements for 2010-2011 and 2011-2012 totaling \$4,496⁽¹²⁾ and \$1,203⁽¹³⁾, respectively, to other accounts to prevent deficit balances in the ESE account.
- 1.2. Practical Nursing students enrolled in the Practical Nursing Magnet Academy pay \$405 for registration and exam fees in several installments during a two-year period. During 2010-2011, most fees were collected by the former treasurer. Because the official receipt book used for these collections was missing, the instructor in charge of the program presented several recaps of collections from her files. Two of these recaps totaling \$1,340⁽¹⁴⁾ could not be traced to any account or deposit. We noted that the former treasurer had recorded a computer

generated receipt number in each of these recaps; however, the numbers actually corresponded to other collections not related to this account. This deception gave a false appearance to the instructor that the monies had been recorded in the system.

Material tickets are official forms used to document pre-payments made by students for materials to be used in projects that will become the property of the students. The sale of material tickets was handled by both the former treasurer and the instructors.

- 1.3. Our review of the material tickets inventory disclosed a \$1,315⁽¹⁵⁾ shortfall in the collections posted to the material tickets account, which included the Culinary Arts fees. Interviews conducted with and documentation provided by the Culinary Arts instructors disclosed that the former treasurer had collected \$910 from the students throughout the 2010-2011 fiscal year. These collections could not be traced to any computer generated receipt or deposit. Because at the end of the fiscal year the account had a balance of only \$135, it appears that the former treasurer posted a \$516⁽¹⁶⁾ purchase made for this class to other accounts to prevent this account from showing a deficit balance. We extended our review of the Culinary Arts fees to the 2011-2012 fiscal year and found that an additional amount of \$1,225⁽¹⁷⁾ collected by the former treasurer, according to records provided by the class instructor, was also missing.

Other discrepancies noted:

- 1.4. The Cheerleader and Dance sponsors managed three separate accounts. According to one of the sponsors, she held two dances during 2010-2011 which should have raised approximately \$7,000; however, only half of this amount was posted to the account for a shortfall of approximately \$3,500⁽¹⁸⁾. She claimed that she turned the monies to the treasurer; however, she could not provide any receipts. The other sponsor claimed that during 2011-2012, she turned into the former treasurer sufficient funds to cover expenditures incurred during this year; however, none of these collections were posted to the account. Therefore, based on disbursement documentation, the cheerleaders account was short approximately \$2,200⁽¹⁹⁾. According to this sponsor, the former treasurer did not provide her with receipts. Additionally, we determined that the former treasurer had purposely diverted a 2011-12 disbursement intended to be paid from the Dance account totaling \$1,003⁽²⁰⁾ to another account to prevent a deficit balance.
- 1.5. According to our projections, based on information received from the field trip sponsor, the total amount collected from students for a field trip conducted in December 2011, should have been \$2,850; however, only \$1,175 was deposited and posted to the account for a shortfall of \$1,675⁽²¹⁾. According to the sponsor, the treasurer never provided receipts for those collections made close to the day of the field trip. The receipt book used for these collections was missing. The

sponsor was able to provide some of the receipts issued to the students as proof that monies had been collected.

- 1.6. The Ballet instructor reportedly turned into the former treasurer \$480⁽²²⁾ for a field trip; however, the instructor could not provide documentation. The associated disbursement of \$336⁽²³⁾ was posted to another account, and included as supporting documentation a copy of the account balance at the time of the disbursement; however, this document had been altered to show more funds than were actually deposited.

Part of the audit included 100 percent verification of the official forms in inventory at the school. The former treasurer was responsible for maintaining control over the inventory of official forms. Discrepancies noted are as follows:

- 1.7. The Prenumbered Forms Inventory Report was incomplete and contained errors.
- 1.8. We were unable to locate six official receipt books that were used to receipt collections for several activities. According to the Serialized Forms and Tickets Distribution Log (used to document custody of official forms), the books in question had been signed out to faculty and activity sponsors.
- 1.9. Verification with faculty and sponsors disclosed two instances where the faculty/sponsor's signature was forged. Two other official receipt books located during the audit were signed out and we confirmed that the signatures on the log were also forged.

For the most part, the official receipt books in question were used to receipt collections associated with those activities that disclosed shortfalls.

RECOMMENDATIONS

- 1.1. **Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.**
- 1.2. **Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.**
- 1.3. **Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.**

- 1.4. Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also direct the Treasurer to deposit and post collections in a timely manner.
- 1.5. Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.
- 1.6. Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.
- 1.7. Direct school staff *to deliver the unopened bank statement to the Principal/Principal's designee.*
- 1.8. Ensure that official forms used to record the school collections are properly safeguarded and accounted for in the inventory.

Person(s) Responsible: Principal, Principal's Designee, Treasurer, Activities Director and Club Sponsors

Management Response:

The Principal met with the Principal's Designee, Activities Director, Treasurer, and Club Sponsors to review and discuss Section II, Chapters 2 and 4 of the Manual of Internal Fund Accounting, specifically reviewed the receipting and depositing process and procedures for maintaining checkbook balances and implementing adjustments needed to ensure accurate monthly reconciliation reports as well as accurate receipting of funds. The Principal and Principal's Designee provided a copy of the Manual of Internal Fund Accounting to the new Treasurer to ensure a clear understanding of bookkeeping procedures and the expectations of the job. Club Sponsors and the Treasurer were directed to issue receipts immediately upon receiving collections from students and/or staff.

To ensure compliance of district policy, the Principal directed the Principal's Designee to work directly with the Activities Director and Treasurer to oversee all fundraising activities and the process implemented. The Principal's Designee will be directed to inform the Principal of any discrepancies for immediate corrective action. The designee will review the financial activities weekly to ensure that collections are properly receipted, documented, deposited and posted in a timely manner by the Treasurer.

The Principal directed the Activities Director to inform the Principal's Designee of any Club Sponsor who fails to comply with district policy as it pertains to collections of

monies and the providing of receipts as a form of recordkeeping as well as instances where sponsors are not receiving receipts from the Treasurer . The Principal directed the Treasurer to receipt funds immediately, provide receipts and inform the Principal's Designee of any Club Sponsor who fails to follow receipting procedures to ensure immediate follow-up by the Principal. The Principal's Designee will review, weekly, the official forms used to record the school collections to ensure they are properly safeguarded and accounted for in the inventory.

The Principal directed all staff to immediately deliver the unopened bank statements, invoices, and bank correspondence to the Principal's Designee for initial review. The Designee will review the statements and initial for verification. The bank statements will then be delivered to the Principal for the final review prior to delivering to the Treasurer. Additionally, checkbook balances will be reviewed by the Principal on a weekly basis, periodically compare monthly bank statements with on-line banking information to verify authenticity and review accuracy of monthly reconciliation reports before submitting the report to the district. The Principal will randomly conduct a review of all documents for accuracy and completeness and any discrepancies noted will be corrected immediately.

At the request of the Education Transformation Office Administrator Director, the principal and school staff received training from the Internal Funds Business Manager on fundraising and financial activities.

Person(s) Responsible:

ETO Operations Administration

Management Response:

- The Principal was directed to monitor the checkbook on a weekly basis and verify bank statements with the online information.
- The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 2 and 4 of the Manual of Internal Fund Accounting, ensuring procedures for deposit and money collections are adhered and proper documentation is maintained.

2. Inadequate Controls Over Disbursements *Homestead Senior*

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the procedures for documenting disbursements. The procedures require that payment to vendors be made on a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing. The procedures also require prior approval from the school administration for purchases made with internal funds.

- 2.1. During our initial visit in December 2011, total outstanding liabilities amounted to \$30,268, of which \$2,637 was paid during the audit visit. As of March 2012, the school still had a total outstanding balance of \$27,631, in the following accounts.

ESE	\$ 2,029
Arts	1,047
Junior Varsity Cheerleaders	3,337
Varsity Cheerleaders	2,343
Field Trip-Ballet	205
Field Trip- Class Of 2012 Strike Miami	645
Subtotal From Accounts Involved In Misappropriation	<u>\$ 9,606⁶</u>
Other Outstanding Liabilities:	
Yearbook Invoice	8,661
Unauthorized Purchase Of Football Uniforms	<u>12,001</u>
Total Outstanding Liabilities:	\$ 30,268
Payments Made During Audit Visit	<u>(2,637)</u>
Total As Of End Of Fieldwork	<u>\$ 27,631</u>

The yearbook activity disclosed that the school did not raise sufficient funds from the sale of yearbooks to cover the cost. Although books were sold below cost and 74 of the 175 purchased remained unsold at year end, the school did not hold any fundraisers to subsidize the deficit. At June 30, 2011, the total amount due to the vendor was \$8,661; however, the account only had a balance of \$10. It appears that the school had made an agreement to pay the outstanding balance in installments, but this agreement was not documented in the files. The school paid \$2,000 during the audit, and still owes \$6,661.

⁶This subtotal included various invoices associated with activities/account where monies were misappropriated or could not be accounted for. As of the end of the audit, the school had paid \$637 and still owes the remainder or \$8,969.

In addition to the balance owed to the yearbook vendor, there is an outstanding invoice for \$12,001 from a purchase of football uniforms made by a former football coach. This purchase had not been authorized by the school administration and was not documented with quotes or bids⁷. Prior to our audit, this unauthorized purchase was reported by the current principal to M-DCPS Police and the case is under investigation.

At the present time, the school does not have sufficient funds to pay for these outstanding liabilities.

Other discrepancies related to the disbursement function include the following:

- 2.2. The treasurer issued several checks in November and December 2011, which she did not post to the automated accounting system on a timely basis. Delays ranged from 6 to 21 days.
- 2.3. From January to June 2011, the school did not receive from the bank the endorsed part (back) of the canceled checks.
- 2.4. We identified three instances during the audit period where checks issued by the school totaling \$821 were cashed by the bank with only the former treasurer's signature. *The school was cited for a similar condition during the prior audit.*

According to Board Rule 6Gx13-1C-1.09 *Fund-Raising Drives among Employees and Selling of Merchandise or Services by Employees*⁸, a school system employee should not capitalize on his/her position in the school system to sell merchandise or services. Regarding this matter, the school procured goods and services from a staff member and we questioned the propriety of these transactions because of the following:

- 2.5. In four separate instances, the school procured party rental services, cakes and pastries from a business owned by an employee of the school. The school issued four separate checks amounting to \$2,084 *to the name of the employee instead of the company*. None of the individual purchases exceeded the \$1,000 threshold that would have required written quotes; however, because quotes were not on file, there was no documentation to indicate that the school had obtained the best products and services available at the time of the purchases.

⁷ Guidelines require a minimum of three documented quotes/bids for purchases of \$1,000 or more.

⁸ Effective July 2011, this School Board Rule was superseded by Board Policy 4129 *Conflict of Interest*. The current policy also states that no employee shall use information not available to members of the general public and gained by reason of his/her official position for his/her personal gain.

RECOMMENDATIONS

- 2.1. Review the disbursement function with staff to ensure awareness and understanding of the procedures, especially the requirement that prior approval is required before placing orders with vendors.**
- 2.2. Direct the treasurer to document the transactions and post in a timely manner.**
- 2.3. Direct the treasurer to issue checks to the name of the company and not a given individual.**
- 2.4. Assign an administrator to oversee the disbursement function.**
- 2.5. Devise a plan to reduce the outstanding liabilities.**
- 2.6. Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, the timely posting of the charges to the appropriate accounts and the completeness of the disbursement documentation.**
- 2.7. Ensure that services or products obtained from members of the staff are clearly documented and disclosed to prevent the appearance of a conflict of interest.**

Person(s) Responsible: **Principal, Principal's Designee, Treasurer, Activities Director and Club Sponsors**

Management Response:

The Principal met with the Principal's Designee over internal accounting, Activities Director, and Treasurer to review Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting and specifically discussed guidelines for the disbursement of funds to ensure awareness and understanding of the required procedures. The Principal developed and reviewed a comprehensive plan that outlined procedures which included prior Principal approval of purchases utilizing the Purchase Order Form, check requisitions and ancillary forms with required signatures, and outlined the establishment and implementation of procedures for disbursement of payment within 30 days. A plan was developed and has been implemented to clear up all pending outstanding liabilities.

The Principal directed the Treasurer to document the transactions and post in timely manner. Additionally, the Treasurer was directed to disburse checks to the name of a company and not a given individual. The Principal's Designee was directed to review all checks and ancillary documents for completeness and accuracy to ensure to

compliance. Any discrepancies will be reviewed with the Principal and corrections will be made immediately.

The Principal reviewed the disbursement functions with the staff to ensure an understanding of the process and the propriety of the charges, timely posting of the charges to their correct accounts and the completeness of the disbursement documentation requirements. Furthermore, the Principal's Designee will meet with the Treasurer weekly to review and ensure that services or products obtained from staff members are clearly documented and disclosed to the appropriate sponsors. Any discrepancies will be reviewed with the Principal and corrections will be made immediately. The school is in the process of identifying sources of funds to clear all outstanding liabilities.

Person(s) Responsible:

ETO Operations Administration

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 and Section IV of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to disbursement of funds and accurate completion of checks and ancillary documents.
- The Education Transformation Office Administrative Director, cooperatively with the Business Manager from the Office of Internal Fund Accounting and the Principal met to develop a plan to reduce the outstanding liabilities. Principal has been instructed to monitor and review all documents on a random basis and ensure discrepancies are immediately corrected.

**3. Purchasing Credit Card (P-Card) Charges
Not Compliant With Transaction Limits
And Documentation Requirements
*Homestead Senior***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services individually costing less than \$3,000. Pursuant to the Manual's *General Cardholders Instructions*, work locations are prohibited from splitting purchases through separate consecutive transactions to bypass the \$3,000 purchasing threshold.

General P-Card procedures also require that purchases be documented with a completed authorization form and an itemized invoice; and all work locations must submit to the District a monthly P-Card reconciliation as soon as possible, but no later than 10 days after receipt of the monthly credit card statement.

On December 2011, we reviewed the prior three P-Card monthly reconciliations and subsidiary records which comprised a total of 33 transactions totaling \$25,137. Of this total, we found discrepancies in 25 transactions totaling \$21,752, or 87% of the total charges processed through the P-Card. Discrepancies noted are as follows:

- 3.1. The three monthly reconciliations reviewed were not processed in a timely manner. According to the school administration, the delay resulted from reconciliations that were pending approval because the school had not attached certain documentation related to expenditures to be paid with Title I Program funds.
- 3.2. In 16 instances, credit card charges were supported with something other than itemized invoices. For the most part, documentation consisted of packing lists which included unit prices; however, itemized invoices to substantiate charges amounting to \$9,791 were not on file.
- 3.3. In seven instances, purchases over \$1,000, but less than \$3,000, were made and three documented quotes were not included with the disbursements. Most purchases consisted of student and office supplies.
- 3.4. As of the time of the audit, clerical staff responsible for processing and reconciling the P-Card had not attended the District's credit card training.

RECOMMENDATIONS

- 3.1. Review the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 3.2. Ensure P-Card Purchasing staff attends credit card training.**

Person(s) Responsible: **Principal, Principal's Designee, Treasurer and Purchasing Clerk**

Management Response:

The Principal met with the Principal's Designee over purchasing, Treasurer and Purchasing Clerk to review the Purchasing Credit Card Program Policies & Procedures Manual and discussed the purchasing credit card guidelines and the Manual's General Cardholders Instructions to ensure an understanding of the required compliance with the procedures. A copy of the Purchasing Credit Card Procedures Manual (obtained from e-handbooks) was provided and reviewed to ensure District policy compliance.

On January 25, 2012 the Purchasing Clerk and the Principal attended the credit card training that was held at ITS.

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

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review with the Purchasing Clerk, Treasurer and Assistant Principal the Purchasing Credit Card Program Policies & Procedures Manual to ensure that procedures are followed as related to credit card transactions and required documents of and the acquisition of the required 3 bids to ensure compliance with district policy and procedures. These procedures will be randomly reviewed by the Education Transformation Office Administrative Director and the Internal Funds Business Manager.
- The Education Transformation Office Administrative Director ensured that the Principal and the Treasurer attended the Purchasing Credit Card training and reviewed all procedures with the Purchasing Clerk and Assistant Principal.

**4. Student Activity Non-Compliant
With District Policy
*Homestead Senior***

The District Wellness Policy, Healthy Beverage and Food Guidelines for food sales conducted at school campuses restrict sales to be conducted only one hour after classes end. It also restricts the contents of food items sold to no more than 35% of total calories from fat and no more than 35% added sugar by weight.

The ESE instructor conducted fundraisers during the 2010-2011 and 2011-2012 fiscal years consisting of cookie sales. According to the Application for Fundraising Activity, sales were conducted while students changed classes and immediately after the end of school, which are unallowable time frames. The purpose of the fundraiser was to subsidize the cost of supplies and activities for ESE students.

We contacted the Department and Food and Nutrition and verified that the cookies sold did not meet the District's guidelines, since they exceeded the 35% fat content and the 35% sugar by weight restrictions.

RECOMMENDATION

- 4. Discontinue any fundraising activity that does not comply with the District Wellness policy and strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.**

Person(s) Responsible: **Principal, Principal's Designee, Treasurer, Activities Director and Club Sponsors**

Management Response:

The Principal reviewed the District Wellness Policy, Healthy Beverage and Food Guidelines for food sales with all staff members at a faculty meeting. The Principal directed the Activities Director, Treasurer and Club Sponsor to ensure that all Fundraising Activities are in compliance with this policy and to immediately cease sales of non-compliant items. The Principal and the Principal's Designee will monitor to ensure ongoing compliance with this policy.

Additionally, the Principal met with staff to review fundraising procedures as depicted in the Manual of Internal Funds Accounting. Furthermore, a copy of Section IV, Chapter 2 Fundraising Activities and Chapter 12, PTA/Booster Club Activities were provided to staff to build cognizance of the District Wellness policy and all policies and procedures.

Person(s) Responsible:

ETO Operations Administration

Management Response:

- The Education Transformation Office Administrative Director convened a meeting with the Principal to review the District Wellness policy. The Principal was directed to strengthen review and monitoring of fundraising practices and procedures to ensure compliance with established guideline.

The school's Principal will be required to participate in the mandatory District Money Matters Support Program during the 2012-2013 school year. The Education Transformation Office will continue to work with the Principal to promote efficient fiscal practices.

**5. Inadequate Oversight Over The Athletic Fund
Resulted In Year-End Deficit
*Miami Central 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 dictate that the school must not end the fiscal year with a negative overall balance in the Athletic Fund.

The prior year report cited a similar condition related to the authorization of expenditures prior to the receipt of funds. Our review of account balances and expenditures disclosed that:

- 5.1. At June 30, 2011, the Athletic Fund closed the year with a deficit balance of \$(28).
- 5.2. During the 2011-2012 fiscal year, the school continued to operate the Athletic Fund with a deficit balance. As of May 9, 2012, the deficit had increased to \$(10,325). Our review of other accounts in the current year showed that the school did not have sufficient funds to eliminate the deficit.

We sampled a few expenditures from this fund and the expenditures reviewed appeared proper.

RECOMMENDATIONS

- 5.1. **Discuss the guidelines with the Athletic Director, Athletic Business Manager and the Treasurer to ensure their understanding of the expectations regarding the overall balance of the Athletic Fund.**
- 5.2. **Assign an administrator and/or the Athletic Business Manager to oversee Athletic Fund account balances and activity and to periodically meet with the treasurer to review account balances.**
- 5.3. **Ensure that the Athletic Fund holds sufficient funds prior to approving any related expenditure or signing a check.**
- 5.4. **Discontinue the practice of operating the Athletic Fund in the deficit.**

- 5.5. Periodically review Athletic Fund accounts and balances, as well as commissions received from vending machines and other funding sources that may be utilized for athletic activities, and make any necessary transfers to prevent an overall Athletic Fund deficit. If funds are not sufficient to cover proposed expenditures, the school should adjust spending plans accordingly.**

Responsible Person(s): Principal, Assistant Principal, Athletic Director, Athletic Business Manager and Treasurer

Management Response:

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. There was an inadequate oversight over the Athletic Fund resulting in year-end deficit of \$28.00, June 30, 2011 and as of May 9, 2012, the deficit increased to \$10,325. In addition to lack of monitoring, this deficit occurred partially as a result of pending reimbursements from the Office of Capital Improvements. Due to the field being “under construction”, additional expenses were incurred as a result of having to transport athletes participating in Track and Field, Tennis, as well as district sanctioned Track and Tennis competitions where Miami Central served as the sponsor for each off site event. In addition, the Office of Capital Improvements was contacted regarding the reimbursements and confirmation was received regarding payment in the amount of \$5,300.00. The remaining deficit will be paid from reimbursement for the District Tennis Tournament in the amount of \$1,750.00; reimbursement of \$1,600 from the District Track and Field Tournament and \$1,710 from Vending. The deficits will be corrected prior to the end of the 2011-2012 school year.

A meeting was conducted with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer to review, develop and implement a corrective action plan and identify strategies to monitor and ensure future compliance when making purchases to avoid a deficit. The aforementioned responsible individuals have been directed to ensure that adequate funds are available prior to the purchasing of services, regardless of reimbursements. During the meeting, the Principal reviewed Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting, which established the procedures for internal fund purchases as well as the procedures for making disbursements and maintaining proper accountability and documentation for audit purposes. The Principal instructed the Treasurer to closely monitor the process to ensure accurate procedures are adhered to in a timely manner. The Principal will verify that the procedures are followed as purchase requests are made.

The Assistant Principal, Athletic Business Manager and the Treasurer will monitor the Athletic account on an on-going basis and update the Principal weekly regarding the status of the account. Prior to requesting purchases, the Athletic Business Manager will review available funds and print the available funds balance report. The Athletic Business Manager will then attach the available funds balance report to the Purchase Order prior to submitting to the Treasurer. Upon review of available funds, the Treasurer will accept and/or deny the Purchase Order.

The Principal also instructed the Treasurer to monitor and comply with the disbursement of funds procedures, acknowledging that sufficient, uncommitted funds are available in the internal fund accounting structure where the expenditures are going to be charged.

The Principal along with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer will participate in the District supported Money Matters Support Program. The Principal will meet periodically with the Treasurer to review compliance with all procedures related to internal funds purchases and the procedures for making disbursements and maintaining proper accountability and documentation as well as all District weekly briefings relating to Internal Fund purchases.

Person(s) Responsible:

ETO Operations Administration

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting which establishes the procedures for internal fund purchases, making disbursements and maintaining proper accountability and documentation for audit purposes.
- The Education Transformation Office Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities associated with the school's athletic program.

**6. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*Miami Central Senior High School***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Home Language Surveys [FM-5196] must also be properly completed and are to be filed in the ESOL Program Record folder. In addition, 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 cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. At the present time, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must be included in the LEP folder.

A review of a sample of 18 ELL student folders disclosed the following discrepancies in 18 student folders (100%). The sample's high error rate requires management's immediate attention:

- 6.1. In 18 instances, the individual ELL/LEP Student Plans were not properly completed. Specifically, they were not signed/dated by the teacher.
- 6.2. In four instances, a CELLA test report was not in the file. According to the student's LEP plan, it appears that the previous school administered this exam; however, there was no documentation on file to demonstrate that the present school had requested the information.
- 6.3. In two instances, a LEP Committee meeting was not documented. Specifically, some of the recommendations were not indicated or some of the documents were not signed.

- 6.4. A Home Language Survey [FM-5196] and a Parent Notification Letter [FM-6577] was blank or not on file for the same student; while the schedule for another student was not printed and filed in the folder prior to the October FTE survey.

Pursuant to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$3,400.

RECOMMENDATION

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

Person(s) Responsible: Principal, Assistant Principal, ELL Chairperson and Registrar

Management Response:

In order to ensure that the cumulative folders for all ELL students are properly maintained and updated in compliance with guidelines established by the Florida Department of Education, the Principal implemented the following corrective actions and preventative strategies in regards to the school site policies and procedures for the maintenance of student LEP records.

The Principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The Principal, Assistant Principal and Department Chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice of Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).

The Principal, Assistant Principal, ELL Chairperson and Registrar established a set of procedures whereby all future ELL students' records are checked for accuracy as they arrive at the school.

The Principal directed the Department Chair to place all CELLA scores received in a designated area in the Principal's office. The Principal will transmit the CELLA scores to the Assistant Principal. The Assistant Principal along with the ELL Chairperson will file all CELLA scores immediately in the student's LEP folders.

Person(s) Responsible:

ETO Operations Administration

Management Response:

- The Education Transformation Office Administrative Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program.
- Results from the District's mini-reviews will be submitted to the Education Transformation Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.
- The affected Principal will be required to attend the FTE training when offered by the District.

The school's Principal will be required to participate in the mandatory District Money Matters Support Program during the 2012-2013 school year. The Education Transformation Office will continue to work with the Principal to promote efficient fiscal practices.

**7. Bookkeeping Function Not Properly Monitored
Resulted In Financial Transactions Untimely
Processed And Not Properly Documented
*D. A. Dorsey Educational Center***

Section II, Chapters 1 and 7 of the *Manual of Internal Fund Accounting* establish the guidelines for the posting of transactions related to the checking account and any savings or investment account of the school. These include transactions involving the recording of interest, funds transfers, bank charges/credits or similar financial transactions. Section V, Chapter 1 provides that monthly reports be prepared by the 20th day of the following month. The *Manual* further explains that a running checkbook balance be maintained at least on a monthly basis.

At this school, there was a change in treasurer in October 2011. Most discrepancies cited below happened under the tenure of the former treasurer.

Our review of financial records and transactions corresponding to the 2010-2011 fiscal year and the current year disclosed records that were missing as well as delays and errors in the posting and processing of financial transactions related to the checking account. Some of the posting errors required adjustments. Details of our findings are as follows:

- 7.1. At the time of the audit, the monthly bank reconciliations for the months of October 2011 to January 2012 had not been prepared. At our request, the school prepared the reconciliations with the assistance of the District's Adult School Account Resource Specialist. However, we still found several errors and totals did not reconcile for two months. Although the discrepancies were not significant, we requested that the school again contact the Adult School Account Resource Specialist to resolve them.
- 7.2. For seven months (which included the months of July and August 2011), the original bank statements were not on file at the school. At our request, the current treasurer obtained copies from the bank which we verified against the copies on file without exception.
- 7.3. For nine months corresponding to the 2010-2011 fiscal year, the images of the cancelled checks were not on file at the school; while for the remaining three months, the endorsement side of the cancelled checks was not on file. At our request, the current treasurer obtained the images of cancelled checks, including the endorsement side, for those disbursements sampled during the audit. Regarding the sample tested, nothing came to our attention during our review to indicate any discrepancies with the checks or the endorsements.

- 7.4. Documentation supporting 14 disbursements totaling \$34,772 and 76 journal vouchers was not on file at the school. Four of the 14 checks represented petty cash totaling \$900 that was drawn from the Instructional Materials and Supplies account to purchase small items. These petty cash checks were issued between June 2010 and August 2011. Additionally, three checks were voided or not posted to the automated system and the mutilated checks were not on file at the school.

As a follow up to the prior year audit and because of the bookkeeping errors noted during this audit, we reviewed the bus pass activity.

The school conducts a student sale of monthly transportation passes since a significant portion of the student population utilizes the Metro-Dade Transit system as their means of transport. At the present time, the cost of an individual monthly pass is \$50. The school purchases the passes from Metro-Dade Transit with monies collected from the students during the pre-sale or from scholarship funds and the passes are distributed to the students. Additional passes are sometimes ordered; and those not sold by the 5th of the following month must be returned to receive proper credit.

- 7.5. An analysis of the bus pass account from July 2011 up to April 2012 disclosed a shortfall of \$7,550 between projected revenues of \$175,600 and total receipts posted to the account of \$168,050.
- 7.6. Initially, four bus pass invoices were not on file. During the audit, we were able to obtain the four invoices from the transit agency. These four were part of the 14 disbursements cited above. Of the four, one disbursement totaling \$7,500 was inappropriately posted to the Bookstore account, while another for \$10,600 was inappropriately posted to the ID Fees account.

Based on the records reviewed, it appears that both disbursements may have been intentionally posted to other accounts to prevent the bus pass account from closing the fiscal year with a deficit balance. Regarding the \$7,500 disbursement, although the corresponding copy of the check on file listed a book vendor as the payee, the check was actually issued to the transit agency to pay for bus passes. The invoice supporting the disbursement, which was bogus, was from a bookstore vendor and it appeared that amounts were altered to match the amount paid. We contacted the vendor and verified that no payment was due from the school.

- 7.7. Several adjusting entries that appeared on the bank reconciliations were posted late. The adjustments included a wire transfer received from the school's Money Market Pool Fund, bank charges, deposit overages/shortages, posting errors and other adjustments to the checking account. Delays ranged from one week to

several months. *The school was cited for a similar condition during the prior audit.*

- 7.8. The school uses a bookkeeping software program to write and print Internal Fund checks. At the end of each month, the program's transaction log must be printed to ensure that balances agree with the MSAF automated system. However, the logs were not printed from July up to January 2012.

Pell Grant funds consist of money that the federal government provides for students who need it to pay for obtaining post-secondary education. Federal Pell Grants are limited to students with financial need, who have not earned their first bachelor's degree or who are not enrolled in certain post-baccalaureate programs, through participating institutions. Students must complete the "Free Application for Federal Student Aid" (FAFSA).

At D. A. Dorsey Educational Center, the Pell Grant is available to students who have an eligible Expected Family Contribution (EFC)⁹ and enroll in an eligible program. Awards range from zero to \$5,550 for 900 hours of attendance (for the 2011-2012 school year¹⁰). The related transactions for this grant must be processed in a checking account separate from the internal funds account.

Our review of the school's checking account disclosed that:

- 7.9. Pell Grant funds transferred to the checking account in October and November 2011 were not posted until December 2011 and January 2012. Currently, \$801 transferred in January 2012 had not been posted as of the completion of this audit in April 2012.

During the 2010-2011 fiscal year, the school received scholarship grant funds from the CAP, Inc. Fund at Dade Community Foundation totaling \$31,200. The purpose of these funds was to cover the cost of tuition, books and bus passes for students volunteering or participating in the blood drives. Students willing to receive these funds are required to complete a formal District grant application. Our review of the related grant documents on file at the school disclosed that:

⁹ The EFC is the sum of: (1) a percentage of net income (remaining income after subtracting allowances for basic living expenses and taxes) and (2) a percentage of net assets (assets remaining after subtracting an asset protection allowance). Different assessment rates and allowances are used for dependent students, independent students without dependents, and independent students with dependents.

¹⁰ The 2011-2012 fiscal year is the first year of Pell Grant funds at this school.

- 7.10. The grant letters were not on file. We contacted the grantor to obtain the letters which the school received during the audit. Furthermore, our review of documentation on file related to the grant disclosed that some of the students that received the scholarship grant funds could not be traced to the student participation list and sign-in sheets maintained by the school.

Section V, Chapter 1 of the *Manual of Internal Fund Accounting* requires that an accurate and organized inventory of pre-numbered forms be prepared at the end of the fiscal year.

- 7.11. The inventory of pre-numbered forms contained numerous errors. *The school was cited for a similar condition during the prior audit.*

RECOMMENDATIONS

- 7.1. **Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.**
- 7.2. **Direct the Treasurer to perform the reconciliations and post the transactions in a timely manner and review the transactions for accuracy.**
- 7.3. **Direct the Treasurer to maintain documentation on file for all transactions.**
- 7.4. **Assign an administrator to oversee the Treasurer's office and direct him/her to meet frequently with the treasurer to ensure the propriety of the bookkeeping function and the timeliness and accuracy of the bank reconciliations, the posting of transactions, and the deposit and disbursement of funds.**
- 7.5. **Periodically meet with the assigned administrator to ensure that the bookkeeping function is working as designed and to discuss the timely implementation of corrective action resulting from any of these reviews.**
- 7.6. **Discuss the procedures for documenting the receipt and disbursement of Pell Grant funds and post the remaining balance of \$801 to the automated system.**
- 7.7. **Reconcile the bus pass account monthly.**
- 7.8. **Obtain the signatures of the students upon distribution of the bus passes and maintain the list of signatures as part of the monthly bus pass reconciliation.**

- 7.9. Maintain all scholarship grant funds documentation on file and reconcile scholarship grant funds monthly to ensure that recipients are participants of the grant and their names can be traced to the grant documents.**
- 7.10. Direct the administrator overseeing the Treasurer's office to review the inventory of pre-numbered forms with the Treasurer *prior to filing* to ensure that it is done correctly.**

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

Management Response:

The Principal met with the new Treasurer to review the expectations of the job. The Principal met with the Treasurer and the Assistant Principal to review Section II, Chapters 1 and 7 of the *Manual of Internal Accounting* which establishes the guidelines for the posting of transactions related to the Checking Account and any savings or investment accounts of the school. This review also included Section V, Chapter 1 which provides procedures and guidelines for the preparation of monthly reports and addresses the preparation of an accurate and organized inventory of pre-numbered forms at the end of the fiscal year. The use of petty cash funds has been restricted. The following procedures have been put in place to ensure adequate controls over Bus Passes, Bookstore and Pell Grant funds: Sale of bus passes will begin after the 10th of every month and end on the last Wednesday of the month. This will permit enough time for appropriate distribution and timely payment to the Miami-Dade Transit Agency. Student signatures will be required for distribution of bus passes. A record of the signatures will be kept on file for reconciliation of the account, which will be reviewed by the Assistant Principal on a monthly basis. Bookstore inventory will be conducted monthly for stock availability and price check. The Treasurer will review each and every Pell disbursement and receipt in order to rectify the remaining balance as noted in the audit report. The Treasurer will revisit all Pell transactions to ensure proper documentation of these transactions. To avoid Pell disbursement errors, students will be charged the full amount for their tuition for the trimester and any applicable reimbursements will be disbursed accordingly. All Pell Grant records will be kept on file to ensure proper documentation of student participation. Furthermore, Pell grant funds will be reconciled on a monthly basis.

Responsible Person(s): Adult Education Administration

Management Response:

- The Principal will confer with the District/School Operations—Adult and Community Education staff to ensure compliance with all guidelines found in the Manual of Internal Fund Accounting to prevent further exceptions in the Internal Fund accounts by conducting monthly school site reviews.

- The District's Adult School Accounting Resource Specialists will conduct quarterly visits at the school site and use the Internal Fund School Visit Report – Secondary Schools, Adult & Vocational Centers (FM-5595) to report their findings. Particular attention will be provided to the areas that are cited with exceptions in the audit report.
- Effective immediately, the Principal will have the Treasurer hand-deliver all monthly financial reports to the District's Adult School Accounting Resource Specialists by the due date. At that time, the reports will be reviewed for completion and accuracy. Furthermore, the Principal will have the Bookstore and Pell Grant reconciled on a monthly basis and kept on file.
- The Principal will continue to participate in the District's mandatory Money Matters Support Program.

District/School Operations—Adult and Community Education will continue to provide assistance to the Principal to review records and ensure that all guidelines are being observed; therefore, promoting efficient fiscal practices.

Responsible Person(s):

District/School Operations Administration

Management Response:

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds including: Bank Reconciliations, Deposits and Disbursements, Student Activities, and Operating Activities of adult education centers. Similar quarterly reviews in the areas of payroll, FTE and Community School procedures will take place.
- Discrepancies with the areas cited above will be investigated through the appropriate District/Regional Center office.
- District/School Operations will review and assess respectively administrators with repeated findings.
- District/School Operations will work collaboratively with Region Centers and facilitate appropriate training from District Offices in Bilingual Department and SPED Department and Internal Accounting and Payroll, respectively.
- District/School Operations will work cooperatively with the Region in providing assistance from the Office of Internal Fund Accounting, respectively. Furthermore, District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in these schools' audit responses.

- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures, as well as, appropriate maintenance of ESOL/SPED documentation to ensure documentation is proper and prevent potential funding disallowances.
- District/School Operations will work collaboratively with the corrective plan of action from Region and District administration to ensure that property issues undergoing relocation from one site to another are closely monitored and judiciously expedited.
- District/School Operations will continue to work with principals to promote efficient fiscal practices.

**8. Inadequate Controls
Over Disbursements
D. A. Dorsey Educational Center**

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that payments to vendors be made in a timely manner, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing. It also explains that an internal funds purchase order should be prepared for those disbursements over \$100. For all internal fund disbursements made during 2010-2011, in those instances where an individual purchase exceeds \$1,000, but is less than \$5,000, a minimum of three documented telephone quotes must be included as part of the ancillary documentation to show that the lowest bid was selected¹¹.

Our sample of 25 disbursements spanned the 2010-2011 and 2011-2012 fiscal years up to January 2012. Our review disclosed the following discrepancies:

- 8.1. In 14 instances, internal funds purchase orders were not prepared for individual disbursements of over \$100.
- 8.2. In six instances, purchases over \$1,000 were made and three documented telephone quotes were not included with the disbursement documentation as evidence that the lowest quote had been selected.
- 8.3. In a few instances, the transmittal of tuition to the district was not made in a timely manner.
- 8.4. In a few instances, invoices were posted late.

RECOMMENDATIONS

- 8.1. **Review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.**
- 8.2. **Strengthen the review over disbursements to ensure quotes are obtained as applicable and that purchases are properly documented.**
- 8.3. **Strengthen the safeguarding of documentation retained for audit purposes.**

¹¹ Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written bids must be solicited. One of these bids must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*.

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

Management Response:

The Principal, Treasurer, and Assistant Principal reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* which provides guidelines for payments to vendors and requirements for purchase orders. All disbursements will be reviewed by the Principal to confirm that appropriate Internal Fund purchase order(s), applicable quote(s) and original invoice(s) are available prior to signing payment vouchers. The Treasurer will keep in an assigned secure location all purchase orders, payment voucher forms, bank and credit card statements, and monthly financial reports. The Principal and Assistant Principal have access to this location and will conduct periodic reviews of all records.

Responsible Person(s): **Adult Education Administration**

Management Response:

Refer to pages 69-70 of this report and page 189 in the report's Appendix Section for the Adult Education's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

**9. Inadequate Controls
Over Credit Card Activity
D. A. Dorsey Educational Center**

The *Purchasing Credit Card Policies & Procedures* manual establishes the guidelines for making purchases with the P-Card and provides a list of items that should not be purchased. The guidelines also require that the monthly reconciliation be prepared within ten days of receipt of the monthly statement. As follow up to the prior year audit exceptions, we reviewed P-card monthly reconciliations from November 2010 to December 2011 and noted the following:

- 9.1. In four instances, the credit card reconciliation was prepared late. Delays ranged between five days and several months.
- 9.2. The April 2011 and August 2011 reconciliations were not on file at the school. We obtained the April 2011 reconciliation and statement from the district's automated accounting system. At our request, the new treasurer contacted the vendors to obtain the supporting invoices. At the time of the audit visit, the August 2011 credit card reconciliation had not been prepared. The reconciliation was completed during the audit.
- 9.3. The April 2011 credit card statement disclosed two charges made on the same day to the same vendor for computers and related equipment totaling \$3,757. This exceeded the \$2,999.99 credit card threshold for individual purchases. Additionally, the three required quotes/bids for purchases over \$1,000 were not on file. There was another charge for classroom furniture totaling \$1,676 and the three required quotes/bids for purchases over \$1,000 was not on file.

RECOMMENDATIONS

- 9.1. **Review the P-Card procedures with staff to ensure awareness and understanding.**
- 9.2. **Strengthen the oversight over the P-Card function to ensure compliance with the established guidelines.**

Responsible Person(s):

Principal and Treasurer

Management Response:

The Principal met with the Treasurer to review the *Purchasing Credit Card Policies & Procedures* manual which establishes the guidelines for making purchases with the P-Card and provides a list of items that should not be purchased; further covered in the manual are the guidelines for preparation of the monthly credit card reconciliation. In

advance of all purchases via the credit card, appropriate documentation such as the Purchase Authorization Form (FM-5707) and applicable quotes will be reviewed by the Principal. The Principal shall verify compliance for each transaction and ensure that all *Purchasing Card Program Policies & Procedures Manual* guidelines are met.

Responsible Person(s):

Adult Education Administration

Management Response:

Refer to pages 69-70 of this report and page 189 in the report's Appendix Section for the Adult Education's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

**10. Bookstore Activities Showed Losses
And Errors In The Year-End Report
*D. A. Dorsey Educational Center***

Based on instructions for mark-ups provided in the *Adult and Applied Technology Education Procedures Manual*, the bookstore operation is supposed to generate a profit of 16.7%.

- 10.1. Our review of the bookstore activity for the 2010-2011 fiscal year disclosed that the Bookstore Operating and Inventory Report contained many errors. Our revision of the report disclosed a gross profit of only 6.2%. The lower profit percentage represents a shortfall in bookstore revenues of approximately \$3,100. Total bookstore sales amounted to \$25,814 while the gross profit reported was approximately \$1,500.
- 10.2. The sales price of a book is based on a 20 percent markup of the invoice price. We found instances where the school was not pricing the books correctly. Specifically, some of the books sampled disclosed they were either overpriced or underpriced when compared to their corresponding invoice price.

RECOMMENDATIONS

- 10.1. **Discuss the procedures with faculty and staff involved in the accounting of these activities to ensure understanding of the procedures and expectations of the job. These procedures should include the preparation of year-end reports and the monitoring of sales.**
- 10.2. **Assign an administrator to oversee the bookstore and direct him/her to meet frequently with faculty and staff to oversee the activities and ensure that sales and costs are monitored closely and costs curtailed as much as possible.**
- 10.3. **Periodically meet with the assigned administrator to ensure that the bookstore activities are progressing as designed and that the implementation of any corrective action resulting from these reviews is timely.**

Responsible Person(s): **Principal, Assistant Principal, Treasurer and
Bookstore Clerk/Cashier**

Management Response:

The Principal met with Assistant Principal, Treasurer, and Bookstore Clerk to review the procedures for bookstore pricing as outlined in the Adult and Community Education Handbook. A memorandum identifying areas of responsibility has been issued to all Bookstore staff. Regular monitoring of the Bookstore's inventory, pricing and sales will be performed by a monthly reconciliation of the Bookstore using the Operating and Inventory Report - Bookstore, School Store and Concessions (FM-4067). This reconciliation will be kept on file and reviewed with Bookstore staff at monthly meetings.

Responsible Person(s):**Adult Education Administration****Management Response:**

Refer to pages 69-70 of this report and page 189 in the report's Appendix Section for the Adult Education's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

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

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

**11. Inadequate Controls Over Property Inventory
Resulted In Equipment Losses
*D. A. Dorsey Educational Center***

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

At this school, the latest property inventory, which we conducted in February 2012, consisted of the physical verification of 205 property items with an individual cost of \$1,000 or more, and a value of \$558,788. Our physical verification of the property disclosed five property items with a depreciated value of zero and an acquisition cost of \$10,845 could not be accounted for. The equipment breakdown is as follows:

Type of Equipment	No. Of Items	Year Acquired	Acquisition Cost	Depreciated Value
Computers	3	2001, 2002 and 2004	\$ 4,662	\$ 0
Automotive Tool Set/ Equipment	2	1996	6,183	0
Total	5		\$ 10,845	\$ 0

RECOMMENDATIONS

- 11.1. Devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.**
- 11.2. Ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.**
- 11.3. Strengthen the monitoring and accounting of property, and conduct in-house property inventories periodically.**

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

The Principal met with all persons assigned to property accounting. All parties have reviewed the *Manual of Property Control Procedures*. The property accounting has been reassigned to two Administrative Assistants. A system is in place to inventory property at the end of each trimester as well as to dispose of old, unused property in a timely manner.

Responsible Person(s):**Adult Education Administration****Management Response:**

Refer to pages 69-70 of this report and page 189 in the report's Appendix Section for the Adult Education's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

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

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of D. A. Dorsey Educational Center.

**12. School Non-Compliant With Bookkeeping
Procedures Associated With School-Sponsored
Fundraisers/Activities And Fundraisers/Activities
Of The School Allied Organization
*Miami Springs Elementary***

In reference to money collection efforts at the schools, Section II, Chapter 3 of the *Manual of Internal Fund Accounting* provides the guidelines for the handling, receipting and depositing of collections associated with school activities. These guidelines specifically require that *any monies collected at the school by staff members be deposited in the school's internal funds checking account and the associated financial transactions be duly recorded in the internal funds of the school.*

In the event that a school-allied organization such as a Parent-Teacher Association/Parent-Teacher-Student Association (PTA/PTSA) is involved in fundraising activities to assist the school, Section IV, Chapter 12 of the *Manual* requires that the accounting of these activities *be separate and distinct from the school both in fact and appearance.* Also, the school principal's written approval is required to authorize the school-allied organization to fundraise at the school. When providing monetary assistance with any school sponsored activity (such as field trips), the school-allied organization is encouraged to donate monies to the school, and the school is required to record all the associated financial transactions in the internal funds of the school.

At the request of the North Central Region Superintendent, we conducted an audit investigation at this school because of a concern that internal funds procedures were not followed in connection with certain food sales conducted at the school after school hours. Apparently, the purpose of these sales was to raise funds to purchase toner for the faculty at the beginning of the school year. These food sales supposedly occurred during the months of September 2011 to December 2011.

Our investigation disclosed that, although nothing came to our attention during our review of activities that would indicate a misappropriation of funds, our investigation brought to light instances where the school failed to follow the proper internal funds' bookkeeping procedures and failed to establish a clear and distinct separation between PTA and school-sponsored activities. Specifically, in the case of those activities sponsored by the school that were PTA-sponsored activities in previous years (such as the case of the food sales and a personality pictures activity that we identified during the audit/investigation), the school failed to record in the internal funds' bookkeeping system the financial transactions associated with these activities. In the case of activities concurrently handled by PTA and staff members (such as the Book Fair), the school did not observe the proper receipting procedures when monies coming in direct contact with a school employee were not recorded in the system but turned in to the PTA.

Details of our investigation follow:

- 12.1. Regarding the food sales after school hours, audit staff met with PTA board members, school volunteers, staff members and the principal of the school who served during the 2010-2011 and 2011-2012 fiscal years to obtain an understanding of what transpired during these months and to review financial records of the school and the PTA. During the audit visit, the documentation on file indicated that, although the school principal had initially given the PTA written approval to conduct the food sales, she later expressed that the PTA did not provide the assistance that the school required.

What initially appeared to be a PTA fundraiser was handled by school staff. The current PTA president corroborated that its members were unable to provide assistance during the times that the food sales took place, because of conflicts with their working schedules.

We verified that between September 2011 and November 2011, school staff collected \$1,974 and spent \$1,831 to pay for the food merchandise associated with the fundraisers and to buy toner for the teachers' classroom printers. *Vendors were paid directly from the cash collections and none of the transactions were recorded in the internal funds of the school, thus not complying with established bookkeeping procedures.* During our investigation, we found that the remaining \$143 had not been deposited and remained under the custody of the school treasurer. The school deposited these funds in the internal funds' checking account at our request.

- 12.2. Our investigation uncovered several other instances where the demarcation between a school-sponsored activity and a PTA-sponsored activity could not be readily determined, because of the level of involvement of school staff in PTA activities; as well as instances where the school did not comply with internal funds' bookkeeping procedures when conducting school-sponsored activities.

These activities included a Book Fair (where collections handled by PTA and school staff were turned over to the PTA although the vendor invoiced the school); a school-sponsored field trip with a total cost of approximately \$21,500 (where the PTA paid \$3,260 directly to the vendor); and a Personality Pictures activity (where the school intentionally bypassed the recording of the associated transactions in the system). This was a PTA-sponsored activity in previous years, but was sponsored by the school in 2010-2011. However, we found that the school had turned picture collections totaling approximately \$3,800 directly to the vendor without recording in the system. We also found that the vendor remitted a commission check, which the school deposited in the Special Purpose (hospitality) account of the school.

- 12.3. Regarding the field trip cited above, the school was unable to provide complete detailed records of payments made by each participating student, as it appears that records were discarded; and although payments were recorded in Official Teacher receipts, the receipt books used to account for this field trip were also used to receipt other activities. Consequently, this commingling made it impossible to perform further analysis.

We reviewed two other large field trips and similarly found that complete detailed records of student payments were not maintained in the school files. Total collections amounted to \$29,266 and \$11,400.

- 12.4. We also found that, contrary to the guidelines in Section IV, Chapter 12 of the *Manual*¹², during the 2010-2011 fiscal year, the PTA president (who was also the PTA's check co-signer) was employed at the school as a substitute teacher. Presently, she is employed as a substitute of the school system, has substituted at this school and remains a PTA member of this school.

RECOMMENDATIONS

- 12.1. Discuss fundraising procedures with the entire faculty and staff and the school's PTA to ensure awareness and understanding of the proper procedures for handling fundraising proceeds. It is critical that faculty and staff are fully aware that monies collected by staff and activities handled by the school must be recorded through the internal funds of the school.**
- 12.2. Discontinue paying vendors directly from cash collections and direct the treasurer and staff not to make any such payments in the future. Ensure that all vendor payments associated with fundraisers are made via internal funds checks.**
- 12.3. Direct the treasurer not to turn any monies collected by the school directly to a vendor but to record in the internal funds of the school all collections made by staff.**

¹² According to the guidelines, school employees must not be co-signers for any school-allied organization(s), nor can they handle money or fundraising merchandise for a school-allied organization chartered at the school at which they are employed. A school employee may function in such capacity at a school other than the one at which he/she is employed.

Responsible Person(s):

Principal and Treasurer

Management Response:

The Principal held a meeting with the Treasurer, Faculty and PTA to review and discuss in detail Section IV, Chapter 2 of the Manual of Internal Fund Accounting guidelines for fundraising activities. The procedures instituted require that all financial transactions associated with the students fundraising activities must be recorded in appropriate students/interest clubs, class or department functions available under the Classes and Clubs Program (5003).

In addition, the Principal reviewed with the Treasurer Section II, Chapter 5 of the Manual of Internal Fund Accounting general policy for all disbursements. All disbursements for expenditures will be paid from the school's Internal Fund via check and will be approved by the principal.

The Treasurer will prepare deposit packages and the Principal will review on a weekly basis supporting documentation to ensure that there are no discrepancies and that the amount posted is on a timely basis.

- 12.4. Ensure that purchases from PTA-related activities are handled separately from the school. Any merchandise ordered by the PTA must be invoiced to the PTA and not the school.**
- 12.5. Strengthen review of school-allied events and activities with the PTA and closely monitor the activities to ensure that only PTA members are involved in the collection process. School staff can assist with certain aspects of PTA fundraisers but cannot collect funds.**
- 12.6. Ensure that the proper fundraising applications and operating reports are prepared for all school sponsored fundraisers and maintained on file.**
- 12.7. Discuss disbursement and donation procedures with the PTA to ensure awareness and understanding that payments for school-sponsored field trips must be made by the school to promote accountability of the related trip expenses. Convey that monetary assistance is always welcome in the form of donations.**

Responsible Person(s):

Principal and Treasurer

Management Response:

The Principal held a meeting with the Treasurer and PTA to review and discuss in detail Section IV, Chapter 2 of the Manual of Internal Fund Accounting, fundraising activities. Fundraising activities that do not support the education and general welfare, and morale

of students, along with the legitimate extra-curricular of the student body shall not be sponsored by the school. School-sponsored fundraising activities must be accounted for in the school's internal fund. All allowable fundraising activities must be presented for approval by the Principal. The Principal will ensure that the proper fundraising activities documentation, *Application for Fund Raising Activity* (FM-1018) and *Region Office Approval for Fundraising Activity* (FM-5656) are properly completed and submitted to the region office for approval before any fundraising activities take place. The Principal will ensure that purchases made by the PTA are invoiced to the PTA.

In addition, the Principal reviewed with the Treasurer Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* general policy, field trips. School Allied organizations are welcomed to make monetary donations to the school, accompanied by a donation letter specifying the intent to fund entirely or partially subsidize the cost of school-sponsored student field trips. The Principal will keep a copy of the donation letter in her office and a copy of the donation letter in the respective fieldtrip file as supporting document for expenditures.

12.8. Discuss with PTA that the officers who are check co-signers cannot be employees of the school and that employees of the school who are PTA members cannot be involved in the PTA collections.

12.9. Ascertain that all supporting field trip documentation is maintained on file, especially when subsidizing a portion of the field trip expenses with donations and/or other monetary sources.

12.10. Consider assigning official receipt books to a specific field trip/activity to improve the documentation supporting the collections.

Responsible Person(s):

Principal and Treasurer

Management Response:

The Principal held a meeting with the Treasurer, Faculty and PTA to review and discuss in detail Section IV, Chapter 12 of the *Manual of Internal Fund Accounting*, PTA/Booster Club Activities. The Principal will be the sole authority of approving the activities of the PTA/PTSA groups. The Faculty and the school staff who are members of the PTA/PTSA will serve as liaisons between the PTA/PTSA and the school, and have been directed to refrain from serving as co-signers of the organization, handling of money or merchandise for PTA/PTSA group's fundraisers or events.

In addition, the Principal reviewed with the Treasurer Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* general policy, field trips. The Treasurer will insure that all supporting field trip documents are maintained on file especially when subsidizing a portion of the field trip expenses with donations and/or other monetary

sources by assigning a separate folder to each individual field trip and placing them in a secure location.

The Treasurer will also ensure that official receipt books will be individually assigned to out of county field trips. Furthermore, the Principal will review on an ongoing basis all field trip documentation and receipt books to ensure that they are properly maintained.

In addition, the Principal reviewed with the Treasurer Section II, Chapter 5 of the Manual of Internal Fund Accounting general policy for all disbursements. All disbursements for expenditures to be paid from the schools Internal Fund must be made via check and must be approved by the Principal. The Principal and Treasurer will participate in additional training in the area of Internal Funds-Fundraising, PTA/Booster Club Activities, and Field Trips. In addition, the Principal has developed a detailed plan to closely monitor fundraising PTA/Booster Club activities, and field trips to ensure the proper handling of the aforementioned. This plan will include:

- That a blanket approval request form for proposed activities, within the school (FM-6570) or out in the community (FM-6571) has been approved by the region center superintendent.
- Ensure that PTA/Booster Club activities are not commingled with the school's internal funds activities.
- Request a detailed PTA/Booster Club treasurer's report on a monthly basis with all related documentation attached.

The Principal will conduct mini reviews on a weekly basis to ensure that all procedures have been followed and any anomalies are corrected immediately. The Principal will review on a weekly basis all documentation pertaining to Fundraising, PTA/Booster Club Activities, and Field Trips. Any anomalies will be corrected immediately.

Responsible Person(s): **North Central Regional Center Office Administration**

Management Response:

- The affected principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Administrative Director will review FTE records periodically throughout the school year to ensure compliance with ESOL Program Record Folders and SPED IEP's.
- The Administrative Director will conduct mini-audits throughout the year to ensure compliance with Internal Funds.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Miami Springs Elementary School.

13. School Non-Compliant With Certain Receipt And Disbursement Guidelines *American Senior High School*

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* establish the policies and procedures regarding the collection, accounting, and depositing of money generated from Internal Fund activities. One of the requirements is that sponsors must remit monies for deposit in a timely manner.

Regarding the handling of collections awaiting deposit at the schools, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools*, was published via *Weekly Briefing No. 5164*, dated November 6, 2008, to address the safeguarding of deposits at schools. Pursuant to the procedures, deposits awaiting the armored car pick-up service are to be logged in/out the Collections/Deposits Log [FM-7249] at the time the deposit is placed in the secure area and removed from this area for the armored car pick-up service. Procedures also require that the log be signed by the responsible individual and an administrator/designee.

We tested a sample of ten receipts, which included five from the current year to determine the school's compliance with receipt/deposit documentation requirements. Our test found that:

- 13.1. In six of the ten instances reviewed, monies were not timely remitted to treasurer for deposit. Delays ranged between three and 12 days. The source of collection included athletic insurance, yearbook sales, fees from attending the school's pre-school program, and field trip collections.
- 13.2. In four instances, the school was not properly utilizing the *Collections/Deposits Log* to document deposits awaiting the armored car pick up service. The form was missing the administrator/designee's signature to indicate that monies were verified when placed in the safe location.

Pursuant to Section II, Chapter 4 of the *Manual of Internal Fund Accounting* schools are required to obtain a minimum of three documented telephone quotes for individual purchases of \$1,000 or more but less than \$5,000¹³. These quotes must be included as part of the ancillary disbursement documentation to show that the lowest bid was selected.

¹³Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written bids must be solicited. One of these bids must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*.

We tested a sample of eight disbursements, which included four from the current year to determine the school's compliance with disbursement documentation requirements. Our test found that:

- 13.3. The school did not obtain the required minimum of three documented telephone quotes for seven of the eight disbursements sampled. The corresponding amounts disbursed ranged between \$1,000 and \$4,576 individually. Items purchased consisted of students' materials and supplies, locker room benches, cheerleading and dance wear, and academy-related t-shirts.

RECOMMENDATIONS

- 13.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.**
- 13.2. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely remitted to the treasurer for deposit.**
- 13.3. Ensure that the Collections/Deposits Log [FM-7249] is properly utilized to document those deposit packages awaiting the armored car pickup service.**

Responsible Person(s):

Principal and Treasurer

Management Response:

The Principal held a meeting with the Treasurer to review and discuss in detail Section II, Chapter 3 of the Manual of Internal Fund Accounting guidelines for receipting collections and documenting deposits associated with internal funds activities. The procedures instituted require that monies collected be timely and receipted and deposited in a timely manner. Deposits will be made daily if the amount exceeds \$300.00. At a minimum, deposits will be made on the last working day of the week regardless of the amount collected.

The Treasurer will prepare deposit packages and the Principal will review on a weekly basis supporting documentation to ensure that there are no discrepancies and that the amount posted is in a timely basis.

The Principal will ensure that money collected will be verified by at least two designated persons (Treasurer and Principal/Designee), and placed in the safe to be deposited on the next business day. The Collections/Deposits Log (FM-7249) will be utilized when monies are placed in the safe. The Principal will review the Collections/Deposits Log on a weekly basis to ensure compliance.

The Principal will meet with the Region Director on a monthly basis with receipts, deposits and logs in order to verify the timeliness of transactions.

13.4. Strengthen controls over the disbursement function to ensure that written bids are obtained for purchases of \$1,000 or more but less than \$50,000. One of these bids must be from a certified minority enterprise.

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

Management Response:

The Principal held a meeting with the Treasurer to discuss Section II Chapter 4 and 5 of the Manual of Internal Fund Accounting to review and reinforce procedures relative to the guidelines for disbursements of funds in a timely manner including the proper documentation in the form of an original invoice for goods or items purchased. Prior to making payments the invoices mathematical accuracy of the invoice will be verified by the Treasurer.

The Principal will obtain three documented quotes/bids, including one from a minority vendor, when an individual purchase is over \$1,000 and attach to the invoice.

The Principal, along with the Assistant Principal, will conduct mini reviews on a weekly basis to ensure that all procedures have been followed and any anomalies are corrected immediately. The Principal will review weekly disbursements, including the Fund 9 replenishment, on a monthly basis with the Region Director.

Responsible Person(s): North Central Regional Center Office Administration

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of American Senior High School.

Responsible Person(s): District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of American Senior High School.

**14. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*North Miami Beach Senior High School***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELLs)*.

According to the guidelines, parents/guardians 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] must be properly completed and are to be filed in the ESOL Program Record folder. In addition, 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 cumulative folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened to assess progress on a yearly basis. At the present time, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must be included in the LEP folder.

Also, an additional requirement for secondary schools is that a student schedule be printed prior to the survey week and be included in the LEP folder as part of the documentation.

A review of a sample of 26 ELL student folders disclosed the following discrepancies in 25 student folders (96%). The sample's high error rate requires management's immediate attention:

- 14.1. In 25 instances, the student schedule printed and filed in the LEP folder was dated *after* the October FTE survey period.
- 14.2. In two instances, the LEP Committee Meeting was documented in the Individual ELL/LEP Student Plan; however, the reasons for the Committee's recommendation were not documented as required. In two other separate instances, the folder documentation was similarly incomplete. One of the LEP folders was missing the CELLA test report and it appears that the student took

the exam at another school location. The other folder was missing the Notice to Parents/Guardians of Limited English Proficient (LEP) Students and the ELL/LEP Student Plan for the corresponding survey period. A plan was found in the folder; however, it was signed/dated *after* the October FTE survey period.

Pursuant to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$4,500.

RECOMMENDATION

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

Person(s) Responsible: Principal and ESOL Department Chairperson

Management Response:

The Principal held a meeting with the ESOL Department Chairperson and the Assistant Principal to review the *2011-2012 Opening of School Information and Reminders*, the *Division of Bilingual Education and World Languages memoranda*, and the *District Plan for Services to English Language Learners (ELLs)*.

The ESOL Department Chairperson will ensure the procedures that state parents/guardians must be notified each school year and the Notice to Parents/Guardians of Limited English Proficient (LEP) Students (FM6577) will be placed in the LEP folder in a timely manner. Also, The CELLA test score report will be included in the LEP folder and verified by the Assistant Principal. In addition, the Assistant Principal will verify that the student schedule is printed prior to the survey week and included in the LEP folder as part of documentation.

- The ESOL Department Chairperson will provide the Assistant Principal with the student schedules for review and signature prior to the October FTE survey period.
- The Assistant Principal and Department Chairperson will conduct a mini review of the LEP folders to ensure the proper documentation and contents have been filed prior to the October FTE survey period.
- A new ESOL department chairperson will be assigned for 2012-2013.
- The Principal will coordinate with the Region Office training for the new ESOL Department Chairperson prior to the new school year.

Responsible Person(s): North Central Regional Center Office Administration

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of North Miami Beach Senior High School.

Responsible Person(s): District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of North Miami Beach Senior High School.

**15. Discrepancies in Special Education (SPED)
Student Records Resulted In Potential
Full-Time Equivalent (FTE) Funding Disallowances
*John I. Smith K-8 Center***

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all current 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 (referred to as a *Matrix*) is used to determine the cost factor for special education students. The cost factor calculation in the *Matrix* is based on the decisions made by the Individual Education Plan Committee, which are documented on the Individual Education Plan (IEP). 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.*

This school was cited for a similar SPED-related issue in May 2009. Our review of a sample of 25 special education (SPED) folders revealed the following discrepancies in eight student folders (32%).

- 15.1. In one instance, the IEP in effect for the February FTE survey and the corresponding Matrix of Services form did not agree. In the case of this student, who was funded at a level higher than basic, this lapse in compliance with documentation requirements could have potentially generated a funding disallowance to the District of approximately \$4,500.

Other discrepancies included:

- 15.2. Seven instances where the Matrix of Services form corresponding to an Individual Education Plan (IEP) in effect for the February FTE survey was not evident. It appears that the school *did not* create/generate a Matrix in the online SPED-EMS system for any of these students. In addition, for one of these students, the corresponding IEP did not have the required signatures.

Unlike the previous instance (where funding levels could have been affected), the documentation errors/omissions identified in these seven student files would not have triggered potential funding disallowances because they were funded at the basic level.

RECOMMENDATIONS

- 15.1. Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. *Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255.***
- 15.2. Ensure that all SPED student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

Person(s) Responsible: Principal, Assistant Principals and SPED Teachers

Management Response:

The Principal held a meeting with the SPED Department and administration to review Section D of the *Local Education Agency (LEA) Implementation Guide* and the *Matrix of Services Handbook 2004 Revised Edition* to ensure that information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Team will scrutinize with fidelity all documents corresponding to students funded at levels 254 and 255.

The Administrative Team and SPED teachers will ensure that all folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated in a monthly basis.

Responsible Person(s): North Central Regional Center Office Administration

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of John I. Smith K-8 Center.

Responsible Person(s): District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of John I. Smith K-8 Center.

**16. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*John I. Smith K-8 Center***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELLs)*.

According to the guidelines, 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 cumulative folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated.

At the present time, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must be included in the LEP folder.

Also, an additional requirement for secondary schools is that a student schedule be printed prior to the survey week and be included in the LEP folder as part of the documentation.

Our review of a sample of 34 ELL student folders disclosed discrepancies in 11 student folders reviewed (32%).

- 16.1. In four instances, the individual ELL/LEP Student Plan [FM-4650] was not properly completed. Specifically, the plan was not signed/dated by the teacher.
- 16.2. In seven instances, a copy of the Sixth Grade student schedule from ISIS was not filed for the current school year.
- 16.3. In one instance, a student's ESOL Level and Program Update section was not completed; while in two other instances, the 2011 test results were not available.

According to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the District of approximately \$2,200.

RECOMMENDATION

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

Person(s) Responsible: **Principal, Assistant Principals and ESOL Chair/Teachers**

Management Response:

The Principal held a meeting with the ESOL Department and administration to discuss procedures to be implemented to reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria. The ESOL Chair will monitor monthly to the assigned Assistant Principal and report any discrepancies with paperwork and/or services. The Assistant Principal will review the monthly findings with the Principal to ensure that all documents are accurate and filed in the appropriate student folders.

Responsible Person(s): **North Central Regional Center Office Administration**

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of John I. Smith K-8 Center.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of John I. Smith K-8 Center.

**17. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*Arcola Lake Elementary School***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, parents/guardians 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-6576] must be properly completed and are to be filed in the ESOL Program Record folder. In addition, all sections of the Individual ELL/LEP Student Plan [FM-4649] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated. Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must also be included in the LEP folder.

A review of a sample of ten ELL student folders disclosed the following discrepancies in all ten folders (100%). The sample's high error rate requires management's immediate attention:

- 17.1. In eight instances, the individual ELL/LEP Student Plan was not properly completed. Specifically, they were not signed/dated by the teacher.
- 17.2. In five instances, the test materials did not match the testing information in the LEP Plans.
- 17.3. In three other instances, the LEP plan and/or the Notice to Parents/Guardians of Limited English Proficient (LEP) Students letter was not evident.

Pursuant to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$840.

RECOMMENDATION

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

Person(s) Responsible:

Principal

Management Response:

The Principal requested that two (2) instructional employees be trained by the staff from the District's Bilingual Department. The employees have conducted mini-reviews of each ESOL file for the documents and forms in question. As a result, all ESOL file folders are being reviewed. Some of the discrepancies are currently pending resolution, while others have been resolved. This administrator has met with and assigned an ESOL teacher for the 2012-2013 school year. The Principal, Assistant Principal and ESOL teacher will attend District provided professional development to ensure that all policies and procedures are followed and that all respective records are maintained accurately. Henceforth, monthly ESOL reviews of students' ESOL documents and LEP folders at the school site have been scheduled for the 2012-2013 school year. During such reviews, staff will audit LEP folders for all appropriate documentation such as letters to parents, CELLA test results, parent and teacher signatures, and other test results and items that need to be in order to avoid any recurrences of discrepancies. Any anomalies will be corrected immediately.

Responsible Person(s):

North Central Regional Center Office Administration

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of Arcola Elementary School.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Arcola Elementary School.

**18. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*Norland Elementary School***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, Home Language Surveys [FM-5196] must be properly completed and are to be filed in the ESOL Program Record folder. In addition, all sections of the Individual ELL/LEP Student Plan [FM-4649] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress on a yearly basis.

A review of a sample of ten ELL student folders disclosed the following discrepancies in 10 student folders (100%). The sample's high error rate requires management's immediate attention:

- 18.1. In all ten instances, the individual ELL/LEP Student Plan was not properly completed. Specifically, they were not signed/dated by the teacher.
- 18.2. In two instances, a LEP Committee meeting was not documented or a Home Language Survey was not properly completed.

Pursuant to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$1,200.

RECOMMENDATION

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

Person(s) Responsible: **Principal, Assistant Principal and ESOL Teacher**

Management Response:

The Principal held a meeting with the ESOL teacher and the Assistant Principal to develop a plan to review the ESOL Program Record Folders. Prior to the October FTE, the ESOL teacher will copy, sign, and date the ELL/LEP Student Plans and submit them to the Principal on a monthly basis.

Each month, the ESOL teacher along with the Assistant Principal will conduct an in-house review of the ESOL Program Record Folders of three ELL students by completing the *ELL Folder Checklist*. The ESOL teacher will receive the Attendance Bulletin daily to check for incoming ELL students. The Principal will coordinate training on ESOL guidelines and procedures with the Region office to become knowledgeable of ESOL program requirements.

In addition, the Principal will review the incoming cumulative records of ELL students to ensure that all of the required documents are in the ESOL Program Record Folders. Any anomalies will be reported to the sending school and corrected immediately.

Responsible Person(s): **North Central Regional Center Office Administration**

Management Response:

Refer to page 85 of this report and pages 177-179 in the report's Appendix Section for the North Central Regional Center Office Administration's comprehensive response addressing the recommendations to the school findings of Norland Elementary School.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Norland Elementary School.

**19. Receipts/Deposits Non-Compliant
With Guidelines
*Law Enforcement Officers' Memorial High School***

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* establish the policies and procedures regarding the collection, accounting, and depositing of money generated from Internal Fund activities. One of the requirements is that sponsors must remit monies for deposit in a timely manner.

We tested a sample of receipts, which included some receipts from the current year, to determine the school's compliance with receipt/deposit documentation requirements.

Our test found that during the 2010-2011 and 2011-2012 fiscal years up to our visit in May 2012, the faculty member responsible for collecting science fees was not remitting the collections for deposit in a timely manner. According to this individual, some money was kept in a locked drawer in the classroom to be able to provide change to the students.

The late remittances amounted to \$2,808 and delays ranged approximately from two weeks to six months. Of this total, \$1,464 was collected during the 2010-2011 fiscal year, while total fees collected during the 2010-2011 fiscal year amounted to \$2,052. For the 2011-2012 fiscal year up to April 2012, total fees collected amounted to \$2,844.

RECOMMENDATIONS

- 19.1. Discuss receipting and depositing procedures with faculty and staff for understanding and awareness of the requirements.**
- 19.2. Direct the treasurer to inform the Principal of any instances where faculty and sponsors are not turning collections in a timely manner.**
- 19.3. Periodically review deposit packages to ensure the timely deposit of the collections.**

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

Management Response:

In order to ensure compliance with receipts and deposit guidelines, the Principal, Assistant Principal, and the treasurer met with faculty members responsible for collecting fees and reviewed the policies and procedures regarding the collection, accounting, and depositing of monies generated from Internal Fund activities as established in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting*.

In order to avoid recurrence of instances where faculty and sponsors are not turning collections in a timely manner, the Treasurer will contact sponsors and faculty daily to inquire if they have any collections to be deposited.

In order to ensure the timely deposit of the collections, the Principal will periodically review deposit packages.

Person(s) Responsible: **South Central Regional Center Office Administration**

Management Response:

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper and timely receipting of monies.
- The South Central Regional Center Financial/Business Operations Director will conduct site reviews to ensure compliance with guidelines in Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, specifically as it relates to the timely collection of fees and receipting of monies.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Law Enforcement Officers' Memorial High School.

**20. Inadequate Controls
Over Disbursements
*Law Enforcement Officers' Memorial High School***

Section II, Chapter 4 of the *Manual of Internal Fund Accounting* provides part of the guidelines for making and documenting disbursements. Specifically, vendor invoices accompanying the check requisitions must include the signature of the employee receiving the goods/services to confirm that the merchandise is received or the service has been rendered, and therefore payment is in order. In addition, before an order/purchase is made, the use of an internal funds purchase order is required for purchases of \$100 or more. In addition, Section IV, Chapter 9 of the *Manual* requires that sales tax be paid for merchandise purchased by the school for resale. This includes the purchase of T-shirts for which the students will claim ownership.

Our sample of 12 disbursements made during the 2010-2011 and 2011-2012 fiscal years disclosed the following discrepancies:

- 20.1. In eight instances, invoices for purchases totaling approximately \$12,000 were not signed to indicate that goods or services had been received by the school as specified and that payment was in order. *A similar condition was discussed with the school administration during the prior audit.*
- 20.2. In 12 instances, purchase orders were not prepared for individual disbursements exceeding \$100. Total purchases amounted to approximately \$15,000.
- 20.3. In four instances, sales tax for purchases of resale merchandise totaling approximately \$1,700 was not paid to the vendor or not remitted to the Florida Department of Revenue. All resale merchandise reviewed consisted of T-shirts sold to the students. We calculated that the unpaid sales tax amounted to approximately \$120.

RECOMMENDATIONS

- 20.1. Review the disbursement function with staff to create awareness and understanding of the requirements and expectations.**
- 20.2. Direct the Treasurer to use the purchase order system for all purchases of \$100 or more and to obtain the acknowledgement of receipts on all invoices.**
- 20.3. Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation.**

20.4. Remit the unpaid sales tax to the Florida Department of Revenue.

Responsible Person(s):

Principal and Treasurer

Management Response:

On April 24, 2012, the Principal, Assistant Principal and Treasurer reviewed Section 4 of the *Manual of Internal Fund Accounting*, specifically with regard to the receipting of goods/services. The Principal met with faculty and staff on May 8, 2012, and provided a copy of the relevant section of the *Manual of Internal Fund Accounting* document and advised them of their responsibility to sign receipt of the goods/services to confirm that merchandise is received or services have been rendered.

The Principal met with the Treasurer on April 24, 2012, and instructed her to use the purchase order system for all purchases of \$100 or more and to obtain the acknowledgement of receipts on all invoices.

The Principal will meet on a monthly basis with the Treasurer to ensure that the purchase order system is being used appropriately and to review invoices for appropriate acknowledgement of receipts on all invoices.

On April 24, 2012, the Principal met with the Treasurer to review Section IV, Chapter 9 of the *Manual of Internal Fund Accounting*. The Treasurer was instructed to ensure that sales tax be paid for merchandise purchased by the school for resale.

The Treasurer reviewed all purchases of merchandise for resale to ensure that sales tax is paid. On May 25, 2012, the treasurer contacted all vendors of the four instances found and requested invoices for the sales taxes due. On May 30, 2012, two of the invoices were paid, and the other invoices will be paid upon receipt.

Person(s) Responsible: **South Central Regional Center Office Administration**

Management Response:

- The South Central Regional Center Financial/Business Operations Director will conduct site reviews to ensure compliance with guidelines in Section II, Chapter 4 of the *Manual of Internal Fund Accounting*, specifically as it relates to receipting of goods/services and the use of the Purchase Order system.
- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review Section IV, Chapter 9 of the *Manual of Internal Accounting* to ensure that procedures are followed in regard to the payment of sales tax.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Law Enforcement Officers' Memorial High School.

**21. Inadequate Controls
Over Yearbook Sales
*Law Enforcement Officers' Memorial High School***

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* establishes the procedures over the yearbook activity. According to the procedures, the responsibility for maintaining the yearbook documents rests with the yearbook sponsor. Required documentation includes but is not limited to: Bid Tabulation form [FM-1024] (to tabulate bids for comparison purposes); Committee Appraisal-Yearbook Printing form [FM-1025] (to evaluate comparative bids); Monthly Operating Reports [FM-1030] (to report monthly activity); and Distribution Report [FM-1031] (to summarize the distribution and year-end inventory of yearbooks). At year-end, the sponsor must submit to the treasurer all related yearbook records, which must be maintained on file at the school for audit purposes. The guidelines further require the yearbook sponsor to review the yearbook order from the prior year and number of books sold before specifying the number of copies to order in the next year's bid. Also, pursuant to Board Policy, the yearbook should be sold as close to cost as possible.

We analyzed the activity for the 2010-2011 and the 2011-2012 fiscal years up to April 2012, and noted the following issues:

- 21.1. During the 2010-2011 fiscal year the school purchased 135 yearbooks; however, 57 yearbooks or 42% of total yearbooks purchased (with a cost of approximately \$2,600) remained unsold at the end of the year. Of the 57 yearbooks, 11 books were unaccounted for at the time of the audit. We extended our review to the 2011-2012 yearbook activity and noted that the yearbook order was increased to 150 books. As of April 2012, only 61 yearbooks (41%) were sold.
- 21.2. Committee Appraisal, Bid Tabulation, Monthly Operating Reports, Distribution Reports, and Log of Yearbooks Sold for the 2010-2011 and 2011-2012 yearbook operations were incomplete, contained errors or were not on file at the school.
- 21.3. Official Teacher Receipts were not issued for the sale of individual yearbook ads and the yearbook vendor charged a \$200 late fee associated with the production of the book.

RECOMMENDATIONS

- 21.1. Periodically meet with the yearbook sponsor to monitor the progress of the activity and to make adjustments, as needed.**
- 21.2. Ensure that staff understands and adheres to the procedures for completing yearbook reports, and for maintaining on file complete documentation related to the activity.**

Responsible Person(s):

Principal

Management Response:

On May 24, 2012, the Principal in cooperation with the Assistant Principal and Activities Director, met with the Yearbook Sponsor and Treasurer to review Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*. The Principal, Assistant Principal, Yearbook Sponsor, reviewed previously completed yearbook documents.

The Principal and Assistant Principal will meet monthly with the Yearbook Sponsor and the Treasurer to review that deadlines are met and that reports are completed appropriately.

Adjustments in the total number of yearbooks purchased for the 2012-2013 school year have been made and bid quantities have been reduced. The Principal, the Assistant Principal, the Treasurer, and the Yearbook Sponsor are reviewing marketing strategies to ensure that all yearbooks are sold.

Person(s) Responsible: South Central Regional Center Office Administration

Management Response:

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to closely monitor 2011-2012 yearbook sales.
- Additionally, based on the 2011-2012 yearbook sales results, the Principal and the Administrative Director will confer and discuss yearbook bid stipulations and procedures prior to making and signing the contract for the 2012-2013 school year.
- The Principal has been directed to meet monthly with the Yearbook Sponsor to review that Monthly Operating Reports are prepared accurately and timely.

Principals will participate in the District Mandatory Money Matters Support Program.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Law Enforcement Officers' Memorial High School.

**22. Inadequate Oversight Over The Athletic Fund
Resulted In Year-End Deficit
G. Holmes Braddock 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 dictate that the school must not end the fiscal year with a negative overall balance in the Athletic Fund.

- 22.1. At June 30, 2011, the Athletic Fund closed the year with a deficit balance of \$(25,543). We determined that during June 2011, the school transferred \$9,152 from a Classes and Club-Athletic account to the Athletic Fund. According to the school administration, the transfer was intended to clear the fund's deficit; however, it was miscalculated when deficit balances from two accounts within the Athletic Fund were omitted from the calculation as an oversight.
- 22.2. During the 2011-2012 fiscal year, the school continued to operate the Athletic Fund with a deficit balance. As of February 14, 2012, the deficit had increased to \$(46,729). During all this time, the school held sufficient funds in two Classes and Clubs accounts related to Athletics to eliminate the deficit balance. When we brought this issue to the school administration, during the audit, the necessary funds were transferred to clear the deficit in its entirety.

Our review also included determining the propriety of the expenditures posted to the Athletic Fund, and nothing came to our attention to indicate that the types of expenditures charged to this fund were not related to athletic activities.

RECOMMENDATIONS

- 22.1. **Discuss the guidelines with the Athletic Director, Athletic Business Manager and the Treasurer to ensure their understanding of the expectations regarding the overall balance of the Athletic Fund.**
- 22.2. **Assign an administrator and/or the Athletic Business Manager to oversee Athletic Fund account balances and activity and to periodically meet with the treasurer to review account balances.**
- 22.3. **Ensure that the Athletic Fund holds sufficient funds prior to approving any related expenditure or signing a check.**
- 22.4. **Discontinue the practice of operating the Athletic Fund in the deficit.**

22.5. Periodically review Athletic Fund accounts and balances, as well commissions received from vending machines and other funding sources that may be utilized for athletic activities, and make any necessary transfers to prevent an overall Athletic Fund deficit. If funds are not sufficient to cover proposed expenditures, the school should adjust spending plans accordingly.

Responsible Person(s): Principal, Assistant Principal,
Athletic Director, Athletic Business Manager and
Treasurer

Management Response:

In order to ensure that awareness and understanding of adequate controls over the Athletic Fund take place; the Principal implemented the following corrective actions and preventative strategies with regard to the Athletic Fund.

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on Monday, April 23, 2012, to carefully review and discuss Section III, Chapter 1 of *the Manual of Internal Fund Accounting*.

On Tuesday, February 14, 2012, the Principal met with the Athletic Business Manager to review available funds related to Classes and Clubs' sports activity and determine an appropriate source of funding to cover the current deficit. The Principal further directed the Treasurer to transfer funds from the school's Athletic Club account to cover the current deficit. The transfer has been made and the deficit has been corrected.

The Principal assigned the Assistant Principal to oversee the Athletic Fund account balances and activity. The Assistant Principal will meet monthly with the Athletic Business Manager and the Treasurer to review expenditures and current balances. Prior to approving any expenditure or signing a check, the Principal will ensure that the Athletic Fund has the available funds to cover the expenditure.

The Principal will meet with the Athletic Business Manager monthly to review all expenditures and commissions received from vending and other revenue generating sources related to Classes and Clubs' sports activity accounts. At such time, the necessary and allowable transfers will be made to ensure a positive balance.

Person(s) Responsible: South Central Regional Center Office Administration

Management Response:

- The South Central Regional Center Financial/Business Operations Director, instructed the Principal to thoroughly review Section III, Chapter 1 of the **Manual of Internal Fund Accounting**, Athletic Fund and to develop a systematic plan to follow to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available funds.
- The Financial/Business Operations Director instructed the Principal to immediately review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.
- The South Central Regional Center Financial/Business Operations Administrative Director, cooperatively with the Principal, will review the balance of the Athletic Fund on a quarterly basis to ensure that there is a positive balance.

Responsible Person(s): District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of G. Holmes Braddock Senior High School.

23. Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances
Dr. Carlos J. Finlay Elementary School

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELLs)*.

According to the guidelines, parents/guardians 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-6576] must be properly completed and are to be filed in the ESOL Program Record folder. In addition, all sections of the Individual ELL/LEP Student Plan [FM-4649] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2011-2012 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and must be signed and dated.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened to assess progress on a yearly basis.

A review of a sample of 18 ELL student folders disclosed the following discrepancies in 18 student folders (100%). The sample's high error rate requires management's immediate attention:

- 23.1. In 18 instances, the individual ELL/LEP Student Plan was not properly completed. Specifically, they were not signed/dated by the teacher.
- 23.2. We found five instances where the documentation in the LEP folders disclosed some discrepancies. These included a few instances where the Home Language Survey [FM-5196] was not properly dated, the *Notice to Parents/Guardians of English Language Learners (ELL)* letter was missing a page, the Program Participation section of the LEP Plan was not completed, or the *purpose* for convening a LEP Committee meeting was not documented in the LEP Plan as required.

According to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$1,900.

RECOMMENDATION

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

Person(s) Responsible:

Principal and Assistant Principal

Management Response:

The Principal held an ELL compliance meeting on April 10, 2012, with all administrative, instructional, and clerical personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District. All ELL folders were subsequently corrected and all front pages reflect protocols as required. Files were reviewed by the Assistant Principal and Principal to ensure corrective action was completed.

On April 10, 2012, the Principal directed team members comprised of the Assistant Principal, ESOL Chairperson, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. Specific procedures were delineated to ensure that the Home Language Survey Form (FM-5196) and the Notice to Parents/Guardians of Limited English Proficient (LEP) Students (FM-6576) are properly completed and maintained in folders. The team has also been instructed to ensure that the purpose for convening LEP Committees is properly documented and detailed on the LEP Plan. The team will continue to work on a quarterly basis to review cumulative records with focused attention on accuracy.

The team was directed to review all ELL program record folders to ensure that the specified documents are on file and aligned with ISIS, including: the original Home Language Survey Form (FM-5196), Annual WLEP with appropriate signatures/dates, Copy of all Annual Letters of participation (FM-6576), ELL Committee Notifications and purpose for meeting clearly stated on LEP Plan.

The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records for ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. The Principal will request a subsequent review of the ELL records from the Division of Bilingual Education and World Languages.

Person(s) Responsible: **South Central Regional Center Office Administration**

Management Response:

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

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Dr. Carlos J. Finlay Elementary School.

**24. Money Market Transfer To Checking
Account Untimely Processed Resulted
In Checking Account Year-End Deficit (High School)
*Robert Morgan Educational Center***

Section II, Chapters 1 and 7 of the *Manual of Internal Fund Accounting* establish the guidelines for the posting of transactions related to the checking account and any savings or investment account of the school. These include transactions involving the recording of interest, funds transfers, bank charges/credits or similar financial transactions.

The June 2011 account reconciliation disclosed an adjusting entry for \$10,000 which represented a transfer of funds from the school's Money Market Pool account to the internal funds checking account. The school requested the transfer on June 30, 2011; but the transaction did not take effect until July 1, 2011. The school posted the transaction to the system in anticipation of the actual transfer, thus overstating the checking account balance in the automated system by said amount.

We adjusted the 2010-2011 financial statement and checking account balance based on the actual account balances reflected in the checking and Money Market Pool Fund accounts. Once adjusted, the operational checking account would have closed the year with a deficit balance of \$(4,732). However, the checking account was not overdrawn since the deficit represented a snapshot of available funds on paper at year-end, taking into account checks issued by the school that remained outstanding.

RECOMMENDATIONS

- 24.1. Discuss the bookkeeping procedures with the new Treasurer to ensure her understanding of the job.**
- 24.2. Direct the Treasurer to transfer funds and post the transaction in a timely manner, and monitor checking account balances to ensure that funds are sufficient to cover disbursements.**
- 24.3. Assign an administrator to oversee the Treasurer's office and direct him/her to meet frequently with the treasurer to ensure the propriety of the bookkeeping function and the accuracy of the bank reconciliations.**
- 24.4. Periodically meet with the assigned administrator to ensure that the bookkeeping function is working as designed and to discuss the timely implementation of corrective action resulting from any of these reviews.**

Responsible Person(s):

**Principal, Senior High Vice Principal and
Treasurer**

Management Response:

The Principal met with the Vice Principal and Treasurer to review Section II, Chapters 1 and 7 of the *Manual of Internal Fund Accounting*. In order to ensure compliance with all policies and procedures delineated in said Manual, the Principal, Vice Principal, and Treasurer will meet bi-weekly to review activity posted to the internal funds accounts.

The Treasurer has been directed to transfer funds and post all transactions in a timely manner; and monitor checking account balances to ensure that funds are sufficient to cover disbursements. This will be verified by the High School Vice Principal during their weekly meetings with the Treasurer.

The High School Vice Principal has been designated as the administrator over internal funds' financial activities. The Vice Principal will meet weekly with the Treasurer to ensure the propriety of the bookkeeping function and the accuracy of the Bank Reconciliations.

During the weekly meeting, the Vice Principal will review the records with the Treasurer to ensure that the bookkeeping function is working as designed and will monitor the timely implementation of corrective action resulting from any of these reviews.

Person(s) Responsible:

South Regional Center Office Administration

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will meet with the Principal bi-weekly to ensure that the bookkeeping functions are implemented properly. The Administrative Director will assign a mentor Treasurer and will request regular assistance from the Internal Funds Business Manager. During these bi-weekly visits, a review will be completed of transfers, deposits, collections, and Bank Reconciliations to ensure compliance with established procedures. Checking account monthly balances will be reviewed to ensure that funds are sufficient to cover disbursements.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Robert Morgan Educational Center.

**25. Inadequate Controls Over
Yearbook Sales (High School)
Robert Morgan Educational Center**

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting* establishes the procedures over the yearbook activity. According to the procedures, the responsibility for maintaining the yearbook documents rests with the yearbook sponsor. Required documentation includes but is not limited to: Bid Tabulation form [FM-1024] (to tabulate bids for comparison purposes); Committee Appraisal-Yearbook Printing form [FM-1025] (to evaluate comparative bids); Monthly Operating Reports [FM-1030] (to report monthly activity); and Distribution Report [FM-1031] (to summarize the distribution and year-end inventory of yearbooks). At year-end, the sponsor must submit to the treasurer all related yearbook records, which must be maintained on file at the school for audit purposes. Also, pursuant to Board Policy, the yearbook should be sold as close to cost as possible.

We analyzed the 2010-2011 activity and noted the following issues:

- 25.1. The school ordered 600 yearbooks; however, only sold 400 for a leftover balance of 200 books or 33% of total books ordered. Of this total, 156 remained unsold at year-end with a cost of approximately \$8,300. The remaining 44 books were given away as complimentary (21), exchanged with other schools (5), retained for staff use (5), and 13 damaged yearbooks that were returned to vendor for credit.
- 25.2. The total cost of the yearbook was \$31,980, of which \$22,140 had been paid in installments before the end of the year. However, the final payment of \$9,840 was made late in late September 2011. We noted that the invoice included a \$200 charge for what appeared to be late submission of material to the printer.
- 25.3. The Bid Tabulation Forms were not presented for audit. Additionally, only one bid was presented for audit and the school was unable to provide certified returned receipts to show that other potential vendors were solicited to bid.
- 25.4. Yearbooks were offered to students at \$60 during the year. Based on the final yearbook invoice, we found that the sales price exceeded the cost of the book, which we calculated at approximately \$53.
- 25.5. The complimentary signed list was incomplete in that three staff members received a yearbook but did not sign, and five yearbook receipts could not be located.

We performed an interim yearbook review for the 2011-2012 fiscal year up to the time of our audit in early April 2012 and noted that the school had reduced the number of

yearbooks to 450. As of this time, the school has sold 320 books and still has 130 to sell before the end of the year.

RECOMMENDATIONS

25.1. Periodically meet with the yearbook sponsor to monitor the health and well-being of the activity and to make adjustments, as needed.

25.2. Ensure that staff understands and adheres to the procedures for completing yearbook reports, and for maintaining on file complete documentation related to the activity.

25.3. Ensure that the yearbook is paid in a timely manner.

Responsible Person(s):

**Principal, Senior High Vice Principal,
Treasurer and Yearbook Sponsor**

Management Response:

The Vice Principal has been designated as the administrator over internal funds' financial activities. The Principal met with the Vice Principal, Treasurer, and Yearbook Sponsor to review Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*. In order to ensure compliance with all policies and procedures, the Principal, Vice Principal, Treasurer, and Yearbook Sponsor will meet bi-monthly to review all activity with regards to the yearbook.

The Yearbook Sponsor has been directed to adhere to all policies and procedures regarding Yearbook in the Manual of Internal Accounting. This will be monitored by the Vice Principal in his bi-monthly meetings with the Treasurer, and the Yearbook Sponsor.

The Treasurer was directed by the Principal to ensure that the Yearbook is paid in a timely fashion. This will be monitored by the High School Vice Principal. The Principal will monitor this function to ensure payment is processed in a timely manner.

Person(s) Responsible:

South Regional Center Office Administration

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will request a thorough review of the yearbook procedures by the Principal and her staff to ensure that there is a complete understanding of the yearbook process. Documents related to the yearbook will be presented to this Director during bi-weekly visits, as applicable. The Director will further request proof of payment to the company to ensure that payment is made in a timely manner.

Responsible Person(s):

District/School Operations Administration

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Robert Morgan Educational Center.

**26. Inadequate Reporting And Documenting
Of Payroll (Adult Education Center)
Robert Morgan Educational Center**

The *Payroll Processing Procedures Manual and Payroll Fall Highlights* published by the Payroll Department on October 10, 2010 via Weekly Briefing No. 8707 establish the procedures for documenting, recording and reporting the payroll. According to the *Manual*, the Daily Payroll Attendance Sheet is one of the most important documents in the payroll process. Accordingly, its accuracy and completeness are of paramount importance to school site administration that would customarily rely on this document to certify that the payroll information being reported is correct. In addition to the Daily Payroll Attendance Sheets, procedures require the preparation of leave cards to document employee absences and the filing of these leave cards with the payroll records.

At the adult education center, the vice-principal or a designated assistant principal approve the payroll.

During the prior audit, we cited this school because of errors in reporting time and attendance and documenting payroll. As a follow-up to the prior year's payroll findings, this year we selected three payrolls corresponding to the months of February 2012 and March 2012 for review.

Our review disclosed that, although most conditions cited during the previous audit were corrected by the school; however, at the adult education center, leave cards were not properly completed, signed or filed. We still noted a few reporting errors that required payroll corrections. Details follow:

- 26.1. In 24 instances, leave cards were incomplete. Most were missing the signature of the administrator and/or the employee, while others were missing the pay periods and the date(s) of the absence(s). In addition, we noted 16 instances where leave cards were not filed with the payroll records.
- 26.2. In seven instances, the Daily Attendance Sheet did not agree with the Final Roster. Corrections were made at our request. Discrepancies included the underreporting of vacation or sick leave and errors with the type of leave reported.
- 26.3. In three instances, an employee did not indicate the attendance on the Daily Payroll Attendance Sheet for time worked and was paid. Two instances corresponded to the last day of the pay period, while the third corresponded to an hourly paid employee who did not sign for a total of 17.2 hours during a four-day period.

RECOMMENDATIONS

To ensure that payroll is properly reported and documented, we continue to recommend the following to the school administration:

- 26.1. Review payroll procedures with school staff and administration, particularly as it relates to the preparation of leave cards for understanding and awareness of the requirements and expectations.**
- 26.2. Direct the payroll clerk to ensure that leave cards are complete and signed prior to filing payroll records.**
- 26.3. Strengthen the supervision over the payroll functions and the review of the payroll records to ensure the accuracy of the payroll.**

Responsible Person(s): Principal, Post-Secondary Vice Principal,
Post-Secondary Assistant Principal and Payroll Clerk

Management Response:

The payroll for both the senior high school and for the post secondary education center will be approved by the Principal. The Principal reviewed the sign in/out payroll procedures and the proper documenting of payroll hours with the Post-Secondary Vice Principal, Post-Secondary Assistant Principal, Post-Secondary Payroll Clerk, High School Vice Principal, and High School Payroll Clerk. During a faculty meeting, the Principal conducted a review of the sign in/out payroll procedures with all staff. The Post-Secondary Assistant Principal and High School Vice Principal will conduct a preliminary review during each payroll period. The Principal will conduct a final review of the final roster; leave cards and supporting payroll documentation to verify the accuracy of payroll prior to final approval.

The Post-Secondary Payroll Clerk was directed to ensure that all leave cards are completed and signed by the employees prior to submitting to the administration for approval. The Post-Secondary Vice Principal will conduct a second review to ensure that all leave cards are completed and signed to ensure accuracy of payroll documents.

All administrators and both payroll clerks were directed by the Principal to adhere to all guidelines detailed in the Payroll Processing Procedures Manual and Payroll Fall Highlights, compliance with these guidelines will be monitored by the Principal, the Post-Secondary Vice Principal, and the High School Vice Principal prior to approving the bi-weekly payroll.

The Principal will work with a Mentor Principal assigned by the Region in order to ensure compliance with all internal funds related functions and payroll processes.

Person(s) Responsible: **South Regional Center Office Administration**

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will review payroll procedures with the Principal, Vice Principal and Assistant Principal to ensure that payroll is properly reported and documented to ensure the accuracy of the payroll.

To strength the supervision of the payroll function, the Regional Center Office is requesting that payroll be reviewed by the Assistant Principal, Vice Principal and the Principal. Until there is an acceptable level of comfort, the Region will request that the payroll be approved by the Principal. The South Regional Center Administrative Director for Financial Business/Operations will review the payroll bi-weekly with the Principal after it has been approved. Corrections will be made as necessary after this review. These actions will strengthen the supervision of payroll functions.

A Mentor Principal will be assigned to the Principal of Robert Morgan Educational Center to provide support with matters related to internal funds and the payroll.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Robert Morgan Educational Center.

**27. School Non-Compliant With
Certain Disbursement Guidelines
*Felix Varela Senior High School***

Pursuant to Section II, Chapter 4 of the *Manual of Internal Fund Accounting* schools are required to obtain a minimum of three documented quotes for individual purchases of \$1,000 or more but less than \$5,000¹⁴. These quotes must be included as part of the ancillary disbursement documentation to show that the lowest bid was selected.

A review of sampled disbursements for the 2010-2011 and 2011-2012 fiscal years up to our visit in January 2012 disclosed that the school did not obtain the required minimum of three documented quotes for five of the six disbursements sampled. These ranged between \$1,027 and \$4,588 individually and consisted of purchases of student supplies, trophies, costumes and various student uniforms.

RECOMMENDATION

- 27. Strengthen controls over the disbursement function to ensure that quotes and bids are obtained for purchases of \$1,000 or more but less than \$50,000. One of these bids must be from a certified minority enterprise.**

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

Management Response:

In order to ensure that the disbursement procedures are followed and adhered to in a manner that is in full compliance with Section II, Chapter 4 of the *Manual of Internal Fund Accounting*, and to protect the assets of the school district, a meeting was held with the entire faculty and staff involved in fundraising and purchasing from Internal Funds. In addition, the Principal met with the Secretary/Treasurer, the Assistant Principal, and all club sponsors and coaches to discuss disbursement procedures. During both meetings, the Principal distributed a written communication outlining the importance of adhering to the bids procedures regarding individual purchases of \$1,000 or more, but less than \$50,000, which requires three bids including a certified minority vendor.

The Principal has established a weekly procedure with the Secretary/Treasurer to review documentation of all Internal Funds orders, ensuring that all documentation with

¹⁴ Effective for the 2011-2012 fiscal year and pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written bids must be solicited. One of these bids must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*.

appropriate signatures, dates, and three quotes are on file. The Principal will ensure that no purchase is made without prior approval. The Secretary/Treasurer must present all purchase orders and/or quotes to the Principal for review weekly. The Principal will ensure that all purchase orders, meeting threshold amounts, have the three (3) documented quotes.

Person(s) Responsible: **South Regional Center Office Administration**

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will continue monthly meetings with the Principal to ensure compliance with established procedures as it relates to obtaining the required number of quotes for individual purchases of more than \$1,000, but less than \$50,000. The Principal will present for review to the Director, all disbursement functions in excess of \$1,000 to ensure compliance with the bidding process, including certified minority companies. The Principal will be asked to meet regularly with the Internal Funds Business Manager, to ensure compliance with established procedures.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Felix Varela Senior High School.

**28. Inadequate Controls Over The
Bookkeeping Function
*Jorge Mas Canosa Middle School***

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* provide the procedures and timelines for collecting and depositing funds generated from internal fund activities.

Our review of a sample of nine deposits corresponding to the 2010-2011 fiscal year and the current year up to December 2011 disclosed the following:

- 28.1. In eight of the nine instances, collections were not deposited in a timely manner. These included delays in the remittance of funds to the treasurer as well as delays in the deposit of funds. Delays ranged from a few days to 12 days.
- 28.2. In four of the deposits tested, we noted discrepancies between the amount of cash posted and deposited; however, it appears that most were the result of posting errors.

Section II, Chapters 1 and Chapter 7, and Section V, Chapter 1 of the *Manual of Internal Fund Accounting* establish the guidelines for the posting of transactions related to the checking account and any savings or investment account of the school. These include: transactions involving the recording of interest, funds transfers, bank charges/credits or similar transactions required to properly reconcile the checking account. In addition, Section II, Chapters 4 and 5 sets forth the policies and procedures for processing and documenting disbursements.

Our review of a sample of bank reconciliations and other financial records and transactions corresponding to the 2010-2011 fiscal year and the current year, disclosed various delays in the posting and processing of reconciling items related to the checking account. Details of our findings are as follows:

- 28.3. Bank reconciliations corresponding to the audit year and the current year up to December 2011 disclosed that adjusting entries were carried in the reconciliations from one month to the next. Some of these related to posting errors.

In addition, our review of the bank reconciliations and our sample of disbursements disclosed that:

- 28.4. A total of nine checks amounting to \$140,881 were not posted to the automated system in a timely manner. Delays ranged from 8 to 48 days.

RECOMMENDATIONS

- 28.1. Ensure that district resources and/or additional training are made available to the treasurer to ensure that transactions related to the checking account and monthly reconciliations are timely resolved and posted to the automated accounting system.**
- 28.2. Review the disbursement and collection procedures with the treasurer and sponsors to ensure a proper understanding and awareness of the requirements.**
- 28.3. Review and discuss bank reconciliations with the treasurer to ensure that any transactions carried over from prior months are timely resolved.**
- 28.4. Periodically review deposit packages to ensure that monies collected are timely processed.**

Responsible Person(s): Principal, Treasurer and Teacher Sponsors

Management Response:

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* provide the procedures and timelines for collecting and depositing funds generated from internal fund activities. The Principal and the Treasurer have developed a bi-weekly review process to ensure compliance with all recommendations made by the auditing department for compliance with procedures and timelines. The review will consist of the Principal monitoring the posting of all transactions to the automated accounting system and the completion of the monthly reconciliations. Additionally, the Principal has met with the Internal Funds Business Manager to review all posting procedures and concerns to ensure an understanding of the process, in order to provide assistance and proper review of the work of the Treasurer.

The Principal conducted a meeting with all current Teacher/Club Sponsors in order to review all District policies relating to the handling of monies. Directives were given regarding the timeliness of the money collection, recaps and turning in said monies to the Treasurer. The procedures for the collection, remittance and deposit of funds were individually addressed with specific sponsors in order to further clarify and prevent any further errors. Additionally, the Opening of School meeting will include a specific training for Teacher/Club Sponsors that will review all District procedures for the collection of monies, including documentation that all responsible staff has been trained on the procedures.

The Principal reviewed and discussed Bank Reconciliations with the Treasurer regarding any delayed transactions being carried over from month to month.

Additionally, the Principal met with the Internal Funds Business Manager to obtain an understanding of the process to properly monitor the Treasurer's work and provide appropriate feedback.

The Principal will periodically monitor the deposit packages to ensure that monies are timely receipted and deposited. The frequency of the monitoring will vary to ensure that it is checked randomly; however, the monitoring will be done periodically.

Person(s) Responsible: **South Regional Center Office Administration**

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will meet with the Principal of Jorge Mas Canosa Middle School to review procedures to strengthen controls over disbursements and collection procedures. A mentor Treasurer will be assigned to Jorge Mas Canosa Middle School to provide training and support over the disbursement and collection procedures to ensure a proper understanding and awareness of established requirements.

The South Regional Center Administrative Director for Financial Business/Operations will request assistance from the Internal Funds Business Manager to continue to work with the Principal to ensure that Bank Reconciliations adhere to established procedures to guarantee that monies are collected and processed timely and transactions are properly documented. The Principal will review deposit packages with the South Regional Center Administrative Director for Financial/Business Operations during his regular visits to the school.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

**29. Discrepancies in English Language Learners' (ELL)
Student Records Resulted in Potential FTE
Funding Disallowances
*Jorge Mas Canosa Middle School***

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, 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 cumulative folder. In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. In addition, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must also be included in the LEP folder. For secondary schools, a student schedule printed for the current school year must be included in the folder and must be dated prior to FTE week.

A review of a sample of 14 ELL student folders disclosed the following discrepancies in all student folders (100%). The sample's high error rate requires management's immediate attention.

- 29.1. In 14 instances, the student schedules were printed *after* the October FTE survey period.
- 29.2. In five instances, a LEP Committee meeting was not documented properly.
- 29.3. For two students, a CELLA Test Report was not presented for audit. It appears that both students had taken the test at another school and there was no documentation on file showing that the information was requested from the other school. For another student, the *ESOL Level and Program Update* Section was not documented to reflect the results of the CELLA Test Report.

According to our calculations, the findings stated above could have potentially generated an FTE funding disallowance to the district of approximately \$3,500.

RECOMMENDATION

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

Responsible Person(s): Principal, Assistant Principal, Registrar
and ELL Chairperson

Management Response:

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*. According to the guidelines, 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 cumulative folder. In order to ensure that all LEP Folders are in compliance with District guidelines, the Principal appointed a new ELL Chairperson who possesses significant knowledge of ELL procedures. The LEP Review Team, comprised of the ELL Chairperson, along with the Assistant Principal, ELL Teacher and Principal have reviewed all current ELL Folders and assured that they are complete, accurate and up to date.

Procedures have been established with Student Services personnel and the Registrar in order to ensure that student schedules are printed in a timely manner and updated in the ELL Folders.

The team was directed to review all ELL program records and folders to ensure that the specified documents and CELLA reports are complete when students LEP Folders are received. If any information is missing, a log will be maintained to provide evidence of all attempts made from the receiving school as to the request of any missing information and to ensure information is received.

The team will meet monthly to have an internal review of the files and provide an opportunity to review the newly established procedures to ensure that all ELL procedures and documentations are being followed. A request will be made to secure the services of the Bilingual Department in order to provide additional support.

Person(s) Responsible: **South Regional Center Office Administration**

Management Response:

The South Regional Center Administrative Director for Financial/Business Operations will solicit assistance from the Bilingual Department to conduct mini reviews, quarterly, in selected areas of the ELL Program to ensure compliance at Jorge Mas Canosa Middle School. The South Regional Center Administrative Director for Financial/Business Operations will review the results of the mini reviews with the Principal and facilitate any corrections as necessary. The Region will contact the Bilingual Department to work with the Principal to ensure compliance of ESOL Program Record Folders. A review of ESOL Program Record folders and pertinent forms will be completed during regular visits to the school by this Director to make certain information is accurate and complete. These forms will be reviewed with the Principal to ensure that all ELL records comply with the established procedures.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

30. Inadequate Controls Over The Bookkeeping Function Disclosed Posting Delays And Other Discrepancies
Pinecrest Elementary School

Section II, Chapter 1, Section II, Chapter 7, and Section V, Chapter 1 of the *Manual of Internal Fund Accounting* establish the guidelines for the posting of transactions related to the checking account and any savings or investment account(s) of the school. These transactions relate to the recording of interest, funds transfers between checking and investment accounts, bank charges/credits and similar transactions associated with the account in the checking/investment account(s).

During the prior audit, we discussed with the school administration the untimely posting of transactions associated with the checking account. Our review of a sample of financial records and transactions corresponding to the 2010-2011 fiscal year and the current year disclosed similar delays in the posting and processing of financial transactions related to the checking account. Details of our findings are as follows:

- 30.1. Eight checks totaling \$12,335 were not posted to the automated accounting system in a timely manner. Delays ranged from two weeks to three months. Six of the eight checks corresponded to the current year. In addition, two deposits amounting to \$578 were posted up to two months late, while several miscellaneous adjusting entries were not processed within the month following the transaction. All these were current year transactions.

Section II, Chapter 5 of the *Manual* delineates the guidelines for processing checks that remain outstanding in the bank reconciliations for three months or more. Pursuant to these guidelines, the school must contact the payees of school checks outstanding for three months or more. In those instances where the payee does not respond and the check remains outstanding for six months, the school must void the check and transfer the amount to the Trust Fund – Unclaimed Stale Dated Checks account until such time a payment for stale-dated checks is submitted to the State of Florida. At this school we found that:

- 30.2. Six checks totaling \$1,007 remained outstanding and listed in the monthly bank reconciliations for over six months, and there was no evidence on file to indicate that payees had been contacted.

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* requires that payments to vendors be made on a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing. In addition, the guidelines establish that disbursements may only be processed when sufficient, uncommitted funds are available in the internal funds accounting structure where expenditures are going to be charged.

A review of the school's disbursement activities disclosed the following discrepancies:

- 30.3. In three instances, payments totaling \$26,892 were not timely remitted to vendors. Delays ranged between 23 days and three months. According to the school administration, one of these payments for \$24,304 for a school field trip was made late because student collections had not commenced at the time that payment was due. At our request, the school obtained written communication from the vendor indicating that they had agreed to receive the payment at a later date.

Pursuant to Section II, Chapter 2 of the *Manual*, money handled by or coming into direct custody of a school employee must be documented, at a minimum, in a *Recap of Collections* [FM-1004] form and submitted to the school treasurer for deposit. In addition to a *Recap of Collections*, individual collections of \$15 or more must be documented with an official school board forms/receipts, such as an Official Teacher's Receipt [FM-0976].

We sampled ten deposit packages of which three corresponded to the current year.

- 30.4. Of the ten deposits reviewed, we found that six had errors and omissions regarding the documentation supporting the deposits. Of the six, three disclosed instances where Recap of Collections and Official Teacher's Receipts were incomplete, prepared after the fact, or not presented for audit. One of the three corresponded to the current year.

RECOMMENDATIONS

- 30.1. Review the disbursement and deposits procedures with faculty and staff to ensure a proper understanding of the requirements and expectations.**
- 30.2. Ensure that district resources and additional training are made available to the Treasurer to ascertain that transactions related to the checking account, monthly reconciliations and stale-dated checks are timely processed.**
- 30.3. Periodically meet with the Treasurer to review the records and ensure that timelines for processing transactions are being observed and documentation supporting the transactions is complete.**

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

In order to ensure appropriate controls are placed over the bookkeeping function, posting delays and other discrepancies, the following actions have been taken:

The Principal has met with the Treasurer and Assistant Principal to ensure proper disbursement procedures. These procedures include the proper use of a calendar file to ensure timely preparation of the actual check within 30 days, as well as payment and immediate posting of disbursements in MSAF.

The printing of the posting screen is now required by administration when signing any check to ensure timely postings. Prior to signing checks, invoices to support the payment will be reviewed to ensure accuracy in payments.

The Principal and treasurer will monitor outstanding checks from the Monthly Bank Reconciliation from the prior month and will follow guidelines in which the school must contact payees of school checks, outstanding for three months or more, and follow all guidelines according to Section II, Chapter 5 of the *Manual of Internal Fund Accounting*. Any adjusting entries reflected in the Monthly Bank Reconciliation not fully resolved, will be discussed to enforce corrective action.

Principal met with Treasurer and Faculty to review procedures according to Section II of the *Manual of Internal Fund Accounting* relating to money collections and deposits. Information will be further reviewed with the incoming Treasurer at the beginning of the year and in the future.

The Principal has established a monitoring checklist for the treasurer to follow for all deposit packages to ensure they are numbered and have the necessary required documentation. The Principal will further review all deposit packages with a monitoring checklist to ensure continued compliance and enforce corrective action.

The Principal, Assistant Principal and Treasurer will review past Money Matter webcast power points and participate in ongoing webcasts for additional training.

The Treasurer attended the End of Year Closing Meeting provided by the District and continues to be mentored by the assigned Internal Funds Business Manager and Mentor Elementary Treasurer. The incoming Treasurer will continue to work with the support personnel in order to gain maximum proficiency.

The Principal, Treasurer, faculty and staff will continue to reference *The Manual of Internal Fund Accounting* for continued compliance with internal accounting procedures.

Person(s) Responsible: **South Regional Center Office Administration**

Management Response:

The South Regional Center Administrative Director for Financial Business/Operations will review with the Principal, procedures related to disbursements and deposits during regular visits to the school. Training opportunities will be provided for the new Treasurer to ensure that transactions are processed in a timely manner and in accordance with established procedures. A mentor Treasurer will be assigned to assist with the review of records and the processing of transactions.

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

Management Response:

Refer to pages 70-71 of this report and page 190 in the report's Appendix Section for the District/School Operation's comprehensive response addressing the recommendations to the school findings of Pinecrest Elementary School.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2011, 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*;
- 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; and

While the scope of our audits generally covered operations during the period of July 1, 2010 through June 30, 2011, payroll, purchasing credit card transactions, and information technology controls included current periods. Title I program covered the 2010-2011 fiscal year only. FTE audits covered the 2011-2012 October 2011 or February 2012 survey periods.

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools 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, 2011 was 0.57%.

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 its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2011 the MDCPS-Money Market Pool Fund's interest rate was 0.57%.

PAYROLL

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

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

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

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

PROPERTY

At M-DCPS, the management of property items must comply with the guidelines established in the *Manual of Property Control Procedures*. According to Chapter 274.02 of the Florida Statutes, a complete physical inventory of all property shall be taken annually, be compared with the property record, and discrepancies must be identified and reconciled.

Our office conducts yearly inventories at each school of all property items with an original cost of \$1,000 or more. These inventories are customarily scheduled and performed at the sites after the first day of school and before the end of the school year. Consequently, the property inventories of schools audited during the summer months of July and August are customarily conducted at a later date, unless staff is available at the schools and time permits. Inventories pending at year-end will be conducted and reported for the next fiscal year.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

TITLE I PROGRAM

Schools 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.

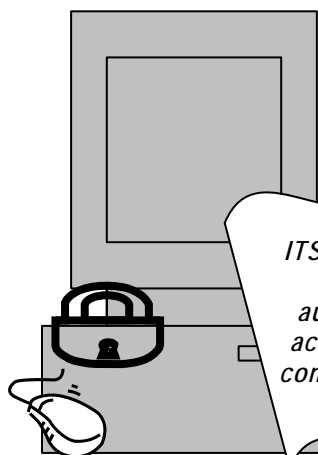


Schools follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-card Program, depending on the amount. Salary expenditures must comply with budgetary 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 schoolwide compliance with Federal, State, and District regulations and guidelines, and ensure that appropriate evidence sources document compliance, the Office of Management and Compliance Audits incorporated the audit of this program into the school audits at selected schools effective February 2007.

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY ASSESSMENT



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

Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. Part of their responsibility includes ensuring that only authorized staff has access to designated applications. Information Technology Services (ITS) produces a monthly report for each location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this report to determine the appropriateness of applications approved for each employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for

changes to students' academic grades is limited to a specific and restricted number of authorized personnel. In addition, our school audits will selectively review information technology matters related to the proper safeguarding and location of servers and switches, software licensing documentation, proper authorization of Electronic Gradebook applications, and similar controls over data security.

FULL-TIME EQUIVALENT (FTE)

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

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

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

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. 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 2011-2012 fiscal year, months selected by the FDOE for these surveys are as follows:

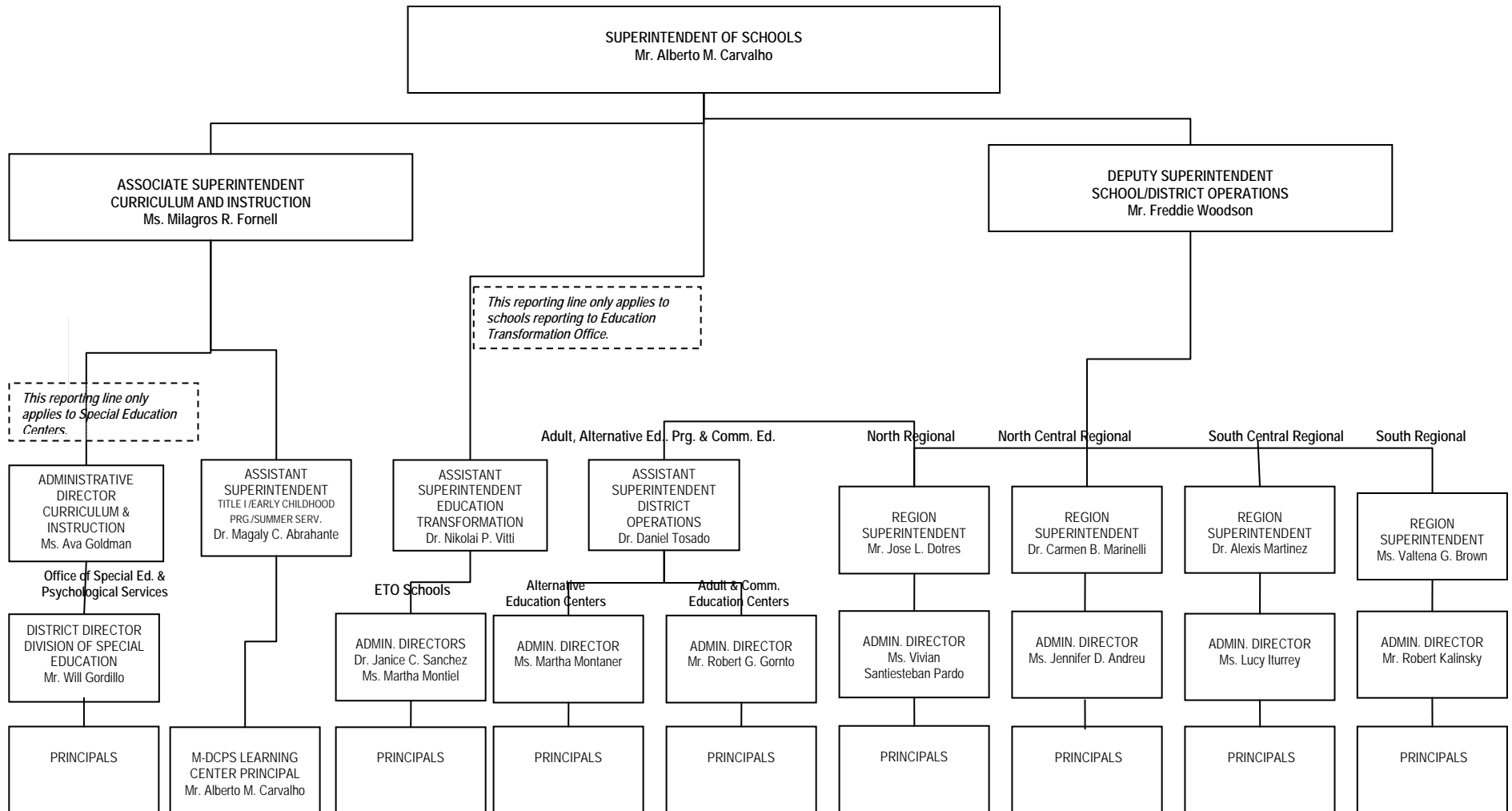
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

Schools 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.

ORGANIZATIONAL CHART (SCHOOLS)



APPENDIX MANAGEMENT'S RESPONSES

MEMORANDUM

May 7, 2012
CR 11-12 #71

TO: Dr. Nikolai P. Vitti, Assistant Superintendent
Education Transformation Office

FROM: Cory R. Rodriguez, Principal
Homestead Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF HOMESTEAD
SENIOR HIGH SCHOOL

The following is a reply to the findings in the Homestead Senior High School Audit Report for the 2010-2011 Fiscal Year. The audit results have been carefully reviewed by the Principal, Assistant Principal overseeing internal funds, Treasurer and the Activities Director. As a result, the principal has formulated a corrective action plan to avoid reoccurrence.

FINDING

Improper Controls Over the Bookkeeping Function Led to Misappropriation of Funds by the Former Treasurer

RECOMMENDATIONS

- 1.1 Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.
- 1.2 Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.
- 1.3 Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- 1.4 Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also, direct the Treasurer to deposit and post collections in a timely manner.
- 1.5 Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.
- 1.6 Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.
- 1.7 Direct school staff to deliver the unopened bank statement to the Principal/Principal's designee.
- 1.8 Ensure that official forms used to record the school collections are properly safeguarded and accounted for in the inventory.

Person(s) Responsible: Principal, Principal's Designee, Treasurer, Activities Director and Club Sponsors.

Management Response:

The Principal met with the Principal's Designee, Activities Director, Treasurer, and Club Sponsors to review and discuss Section II, Chapters 2 and 4 of the Manual of Internal Fund Accounting, specifically reviewed the receipting and depositing process and procedures for maintaining checkbook balances and implementing adjustments needed to ensure accurate monthly reconciliation reports as well as accurate receipting of funds. The Principal and Principal's Designee provided a copy of the Manual of Internal Fund Accounting to the new Treasurer to ensure a clear understanding of bookkeeping procedures and the expectations of the job. Club Sponsors and the Treasurer were directed to issue receipts immediately upon receiving collections from students and/or staff.

To ensure compliance of district policy, the Principal directed the Principal's Designee to work directly with the Activities Director and Treasurer to oversee all fundraising activities and the process implemented. The Principal's Designee will be directed to inform the Principal of any discrepancies for immediate corrective action. The designee will review the financial activities weekly to ensure that collections are properly receipted, documented, deposited and posted in a timely manner by the Treasurer.

The Principal directed the Activities Director to inform the Principal's Designee of any Club Sponsor who fails to comply with district policy as it pertains to collections of monies and the providing of receipts as a form of recordkeeping as well as instances where sponsors are not receiving receipts from the Treasurer. The Principal directed the Treasurer to receipt funds immediately, provide receipts and inform the Principal's Designee of any Club Sponsor who fails to follow receipting procedures to ensure immediate follow-up by the Principal. The Principal's Designee will review, weekly, the official forms used to record the school collections to ensure they are properly safeguarded and accounted for in the inventory.

The Principal directed all staff to immediately deliver the unopened bank statements, invoices, and bank correspondence to the Principal's Designee for initial review. The Designee will review the statements and initial for verification. The bank statements will then be delivered to the Principal for the final review prior to delivering to the Treasurer. Additionally, checkbook balances will be reviewed by the Principal on a weekly basis, periodically compare monthly bank statements with on-line banking information to verify authenticity and review accuracy of monthly reconciliation reports before submitting the report to the district. The Principal will randomly conduct a review of all documents for accuracy and completeness and any discrepancies noted will be corrected immediately.

At the request of the Education Transformation Office Administrator Director, the principal and school staff received training from the Internal Funds Business Manager on fundraising and financial activities.

FINDING

Inadequate Controls Over Disbursements

RECOMMENDATIONS

2.1 Review the disbursement function with staff to ensure awareness and understanding of the procedures, especially the requirement that prior approval is required before placing orders with vendors.

2.2 Direct the Treasurer to document the transactions and post in a timely manner.

2.3 Direct the Treasurer to issue checks to the name of the company and not a given individual.

2.4 Assign an administrator to oversee the disbursement function.

2.5 Devise a plan to reduce the outstanding liabilities.

2.6 Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, the timely postings of the charges to the appropriate accounts and the completeness of the disbursement documentation.

2.7 Ensure that services or products obtained from members of the staff are clearly documented and disclosed to prevent the appearance of a conflict of interest.

Person(s) Responsible: Principal, Principal's Designee, Treasurer, Activities Director and Club Sponsor

Management Response:

The Principal met with the Principal's Designee over internal accounting, Activities Director, and Treasurer to review Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting and specifically discussed guidelines for the disbursement of funds to ensure awareness and understanding of the required procedures. The Principal developed and reviewed a comprehensive plan that outlined procedures which included prior Principal approval of purchases utilizing the Purchase Order Form, check requisitions and ancillary forms with required signatures, and outlined the establishment and implementation of procedures for disbursement of payment within 30 days. A plan was developed and has been implemented to clear up all pending outstanding liabilities.

The Principal directed the Treasurer to document the transactions and post in timely manner. Additionally, the Treasurer was directed to disburse checks to the name of a company and not a given individual. The Principal's Designee was directed to review all checks and ancillary documents for completeness and accuracy to ensure to compliance. Any discrepancies will be reviewed with the Principal and corrections will be made immediately.

The Principal reviewed the disbursement functions with the staff to ensure an understanding of the process and the propriety of the charges, timely posting of the charges to their correct accounts and the completeness of the disbursement documentation requirements. Furthermore, the Principal's Designee will meet with the Treasurer weekly to review and ensure that services or products obtained from staff members are clearly documented and disclosed to the appropriate sponsors. Any discrepancies will be reviewed with the Principal and corrections will be made immediately. The school is in the process of identifying sources of funds to clear all outstanding liabilities.

FINDING

Purchasing Credit Card (P-Card) Charges Not Compliant With Transaction Limits and Documentation Requirements.

RECOMMENDATIONS

3.1 Review the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and strengthen the review over Disbursements made with the credit card to ensure compliance with District Policy.

3.2 Ensure P-Card Purchasing staff attends credit card training.

Person(s) Responsible: Principal, Principal's Designee, Treasurer, Purchasing Clerk

Management Response:

The Principal met with the Principal's Designee over purchasing, Treasurer and Purchasing Clerk to review the Purchasing Credit Card Program Policies & Procedures Manual and discussed the purchasing credit card guidelines and the Manual's General Cardholders Instructions to ensure an understanding of the required compliance with the procedures. A copy of the Purchasing Credit Card Procedures Manual (obtained from e-handbooks) was provided and reviewed to ensure District policy compliance.

On January 25, 2012 the Purchasing Clerk and the Principal attended the credit card training that was held at ITS.

FINDING

Student Activity Non-Compliant with District Policy

RECOMMENDATION

4.1 Discontinue any fundraising activity that does not comply with the District Wellness Policy and strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.

Person(s) Responsible: Principal, Principal's Designee, Treasurer, and Club Sponsor

Management Response:

The Principal reviewed the District Wellness Policy, Healthy Beverage and Food Guidelines for food sales with all staff members at a faculty meeting. The Principal directed the Activities Director, Treasurer and Club Sponsor to ensure that all Fundraising Activities are in compliance with this policy and to immediately cease sales of non-compliant items. The Principal and the Principal's Designee will monitor to ensure ongoing compliance with this policy.

Additionally, the Principal met with staff to review fundraising procedures as depicted in the Manual of Internal Funds Accounting. Furthermore, a copy of Section IV, Chapter 2 Fundraising Activities and Chapter 12, PTA/Booster Club Activities were provided to staff to build cognizance of the District Wellness policy and all policies and procedures.

If additional information is required, please contact me at 305-245-7000.

cc: Dr. Janice Cruse-Sanchez
Ms. Maria T. Gonzalez

MEMORANDUM

May 30, 2012

TO: Dr. Nikolai P. Vitti, Assistant Superintendent
Education Transformation Office (ETO)

FROM: Mrs. Rennina L. Turner, Principal
Miami Central Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI CENTRAL
SENIOR HIGH SCHOOL FOR THE 2010-2011 SCHOOL YEAR

The following is in response to the findings in the school audit report of Miami Central Senior High School. A Management Plan has been developed to address the recommendation listed below.

FINDING

1. Inadequate Oversight Over the Athletic Fund Resulted in Year-End Deficit

RECOMMENDATIONS

- 1.1 Discuss the guidelines with the Athletic Director, Athletic Business Manager and Treasurer to ensure their understanding of the expectations regarding the overall balance of the Athletic Fund.
- 1.2 Assign an administrator and/or the Athletic Business Manager to oversee Athletic Fund account balances and activity and to periodically meet with the treasurer to review account balances.
- 1.3 Ensure that the Athletic Funds holds sufficient funds prior to approving any related expenditure or signing a check.
- 1.4 Discontinue the practice of operating the Athletic Fund in the deficit.
- 1.5 Periodically review Athletic Fund accounts and balances, as well as commissions received from vending machines and other funding sources that may be utilized for athletic activities, and make any necessary transfers to prevent an overall Athletic Fund deficit. If funds are not sufficient to cover proposed expenditures, the school should adjust spending plans accordingly.

Person(s) Responsible: Principal, Assistant Principal, Athletic Director, Athletic Business Manager, and Treasurer

Management Response:

The Principal has thoroughly reviewed the findings cited in the Internal Funds Audit Report for the 2011 – 2012 fiscal year. There was an inadequate oversight over the Athletic Fund resulting in year-end deficit of \$28,000, June 30, 2011 and as of May 9, 2012, the deficit increased to \$10,325. In addition to lack of monitoring, this deficit occurred partially as a result of pending reimbursements from the Office of Capital Improvements. Due to the field being "under construction", additional expenses were incurred as a result of having to transport athletes participating in Track and Field, Tennis, as well as district sanctioned Track and Tennis competitions where Miami Central served as the sponsor for each off site event. In addition, the Office of Capital Improvements was contacted regarding the reimbursements and confirmation was

received regarding payment in the amount of \$5,300.00. The remaining deficit will be paid from reimbursement for the District Tennis Tournament in the amount of \$1,750.00; reimbursement of \$1,600 from the District Track and Field Tournament and \$1,710 from Vending. The deficits will be corrected prior to the end of the 2011-2012 school year.

A meeting was conducted with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer to review, develop and implement a corrective action plan and identify strategies to monitor and ensure future compliance when making purchases to avoid a deficit. The aforementioned responsible individuals have been directed to ensure that adequate funds are available prior to the purchasing of services, regardless of reimbursements. During the meeting, the Principal reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, which established the procedures for internal fund purchases as well as the procedures for making disbursements and maintaining proper accountability and documentation for audit purposes. The Principal instructed the Treasurer to closely monitor the process to ensure accurate procedures are adhered to in a timely manner. The Principal will verify that the procedures are followed as purchase requests are made.

The Assistant Principal, Athletic Business Manager and the Treasurer will monitor the Athletic account on an on-going basis and update the Principal weekly regarding the status of the account. Prior to requesting purchases, the Athletic Business Manager will review available funds and print the available funds balance report. The Athletic Business Manager will then attach the available funds balance report to the Purchase Order prior to submitting to the Treasurer. Upon review of available funds, the Treasurer will accept and/or deny the Purchase Order.

The Principal also instructed the Treasurer to monitor and comply with the disbursement of funds procedures, acknowledging that sufficient, uncommitted funds are available in the internal fund accounting structure where the expenditures are going to be charged.

The Principal along with the Assistant Principal, Athletic Director, Athletic Business Manager and the Treasurer will participate in the District supported Money Matters Support Program. The Principal will meet periodically with the Treasurer to review compliance with all procedures related to internal funds purchases and the procedures for making disbursements and maintaining proper accountability and documentation as well as all District weekly briefings relating to Internal Fund purchases.

FINDING

2. Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances

RECOMMENDATION

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

Person(s) Responsible: Principal, Assistant Principal, ELL Chairperson and Registrar

Management Response

In order to ensure that the cumulative folders for all ELL students are properly maintained and updated in compliance with guidelines established by the Florida Department of Education, the Principal implemented the following corrective actions and preventative strategies in regards to the school site policies and procedures for the maintenance of student LEP records.

The Principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The Principal, Assistant Principal and Department Chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice of Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).

The Principal, Assistant Principal, ELL Chairperson and Registrar established a set of procedures whereby all future ELL students' records are checked for accuracy as they arrive at the school.


The Principal directed the Department Chair to place all CELLA scores received in a designated area in the Principal's office. The Principal will transmit the CELLA scores to the Assistant Principal. The Assistant Principal along with the ELL Chairperson will file all CELLA scores immediately in the student's LEP folders.

CC: Ms. Martha Montiel

MEMORANDUM

May 31, 2012

TO: Robert G. Gornito, Administrative Director
District/School Operations

FROM: Gloria F. Evans, Principal 
D. A. Dorsey Educational Center

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT

The following is submitted in response to the Internal Audit Report of D. A. Dorsey Educational Center for the 2010-2011 fiscal year. Please note that the treasurer under whose tenure the stated findings occurred is no longer employed with the Miami-Dade County Public School System.

The audit findings have been carefully reviewed by the Principal and as a result an action plan comprised of strategies has been developed in order to prevent a recurrence and to ensure that the school is in compliance with School Board policies and procedures.

1. **Bookkeeping Function Not Properly Monitored Resulted In Financial Transactions Untimely Processed and Not Properly Documented**

RECOMMENDATIONS

- 1.1. Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- 1.2. Direct the Treasurer to perform the reconciliations and post the transactions in a timely manner and review the transactions for accuracy.
- 1.3. Direct the Treasurer to maintain documentation on file for all transactions.
- 1.4. Assign an administrator to oversee the Treasurer's office and direct him/her to meet frequently with the treasurer to ensure the propriety of the bookkeeping function and the timeliness and accuracy of the bank reconciliations, the posting of transactions, and the deposit and disbursement of funds.
- 1.5. Periodically meet with the assigned administrator to ensure that the bookkeeping function is working as designed and to discuss the timely implementation of corrective action resulting from any of these reviews.
- 1.6. Discuss the procedures for documenting the receipt and disbursement of Pell Grant Funds and post the remaining balance of \$801 to the automated system.
- 1.7. Reconcile the bus pass account monthly.

- 1.9. Maintain all scholarship grant funds documentation on file and reconcile scholarship grant funds monthly to ensure that recipients are participants of the grant and their names can be traced to the grant documents.
- 1.10. Direct the administrator overseeing the Treasurer's office to review the inventory of pre-numbered forms with the Treasurer *prior to filing* to ensure that it is done correctly.

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

Management Response:

The Principal met with the new Treasurer to review the expectations of the job. The Principal met with the Treasurer and the Assistant Principal to review Section II, Chapters 1 and 7 of the *Manual of Internal Accounting* which establishes the guidelines for the posting of transactions related to the Checking Account and any savings or investment accounts of the school. This review also included Section V, Chapter 1 which provides procedures and guidelines for the preparation of monthly reports and addresses the preparation of an accurate and organized inventory of pre-numbered forms at the end of the fiscal year. The use of petty cash funds has been restricted. The following procedures have been put in place to ensure adequate controls over Bus Passes, Bookstore and Pell Grant funds: Sale of bus passes will begin after the 10th of every month and end on the last Wednesday of the month. This will permit enough time for appropriate distribution and timely payment to the Miami-Dade Transit Agency. Student signatures will be required for distribution of bus passes. A record of the signatures will be kept on file for reconciliation of the account, which will be reviewed by the Assistant Principal on a monthly basis. Bookstore inventory will be conducted monthly for stock availability and price check. The Treasurer will review each and every Pell disbursement and receipt in order to rectify the remaining balance as noted in the audit report. The Treasurer will revisit all Pell transactions to ensure proper documentation of these transactions. To avoid Pell disbursement errors, students will be charged the full amount for their tuition for the trimester and any applicable reimbursements will be disbursed accordingly. All Pell Grant records will be kept on file to ensure proper documentation of student participation. Furthermore, Pell grant funds will be reconciled on a monthly basis.

2. Inadequate Controls Over Disbursements

RECOMMENDATIONS

- 2.1. Review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.
- 2.2. Strengthen the review over disbursements to ensure quotes are obtained as applicable and that purchases are properly documented.
- 2.3. Strengthen the safeguarding of documentation retained for audit purposes.

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

The Principal, Treasurer, and Assistant Principal reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* which provides guidelines for payments to vendors and requirements for purchase orders. All disbursements will be reviewed by the Principal to confirm that appropriate Internal Fund purchase order(s), applicable quote(s) and original invoice(s) are available prior to signing payment vouchers. The Treasurer will keep in an assigned secure location all purchase orders, payment voucher forms, bank and credit card statements, and monthly financial reports. The Principal and Assistant Principal have access to this location and will conduct periodic reviews of all records.

3. Inadequate Controls Over Credit Card Activity

RECOMMENDATIONS

- 3.1. Review the P-Card procedures with staff to ensure awareness and understanding.
- 3.2. Strengthen the oversight over the P-Card function to ensure compliance with the established guidelines.

Responsible Person(s): Principal, Treasurer

The Principal met with the Treasurer to review the *Purchasing Credit Card Policies & Procedures* manual which establishes the guidelines for making purchases with the P-Card and provides a list of items that should not be purchased; further covered in the manual are the guidelines for preparation of the monthly credit card reconciliation. In advance of all purchases via the credit card, appropriate documentation such as the Purchase Authorization Form (FM-5707) and applicable quotes will be reviewed by the Principal. The Principal shall verify compliance for each transaction and ensure that all *Purchasing Card Program Policies & Procedures Manual* guidelines are met.

4. Bookstore Activities Showed Losses And Errors In The Year-End Report

RECOMMENDATIONS

- 4.1. Discuss the procedures with faculty and staff involved in the accounting of these activities to ensure understanding of the procedures and expectations of the job. These procedures should include the preparation of year-end reports and the monitoring of sales.
- 4.2. Assign an administrator to oversee the bookstore and direct him/her to meet frequently with faculty and staff to oversee the activities and ensure that sales and costs are monitored closely and costs curtailed as much as possible.

- 4.3. Periodically meet with the assigned administrator to ensure that bookstore activities are progressing as designed and that the implementation of any corrective action resulting from these reviews is timely.

Responsible Persons: Principal, Assistant Principal, Treasurer,
Bookstore Clerk/Cashier

Management Response:

The Principal met with Assistant Principal, Treasurer, and Bookstore Clerk to review the procedures for bookstore pricing as outlined in the Adult and Community Education Handbook. A memorandum identifying areas of responsibility has been issued to all Bookstore staff. Regular monitoring of the Bookstore's inventory, pricing and sales will be performed by a monthly reconciliation of the Bookstore using the Operating and Inventory Report - Bookstore, School Store and Concessions (FM-4067). This reconciliation will be kept on file and reviewed with Bookstore staff at monthly meetings.

5. Inadequate Controls Over Property Inventory Result In Loss Of Equipment

RECOMMENDATIONS

- 5.1. Devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.
- 5.2. Ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.
- 5.3. Strengthen the monitoring and accounting of property, and conduct in-house property inventories periodically.

Responsible Person(s): Principal, Assistant Principal, Administrative Assistants

The Principal met with all persons assigned to property accounting. All parties have reviewed the *Manual of Property Control Procedures*. The property accounting has been reassigned to two Administrative Assistants. A system is in place to inventory property at the end of each trimester as well as to dispose of old, unused property in a timely manner.

It is expected that the above corrective actions will strengthen the internal controls of the Treasurer's office, Bookstore/Cashier's office, and property accounting and prevent future audit exceptions. For further information regarding this response, please contact me at 305 693-2495.

GFE:

cc: Mr. Freddie Woodson
Dr. Daniel Tosado

MEMORANDUM

May 24, 2012

TO: Dr. Carmen B. Marinelli, Superintendent
North Central Regional Center

FROM: Sally M. Hutchings, Principal
Miami Springs Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF MIAMI
SPRINGS ELEMENTARY SCHOOL FOR THE 2010-2011 FISCAL YEAR

The cited audit findings for the period of July 10-June 30, 2011 have been carefully reviewed by the Principal. As a result the Principal has established corrective and preventative measures in order to prevent future assurances.

RECOMMENDATIONS:

- 1.1 Discuss fundraising procedures with the entire faculty and staff and the school's PTA to ensure awareness and understanding of the proper procedures for handling fundraising proceeds. It is critical that faculty and staff are fully aware that monies collected by staff and activities handled by the school must be recorded through the internal funds of the school.
- 1.2 Discontinue paying vendors directly from cash collections and direct the treasurer and staff not to make any such payments in the future. Ensure that all vendor payments associated with fundraisers are made via internal funds checks.
- 1.3 Direct treasurer not to turn any monies collected by the school directly to a vendor but to record in the internal funds of the school all collections made by the staff.

Person(s) Responsible: Principal, Treasurer

Management Response:

The Principal held a meeting with the Treasurer, Faculty and PTA to review and discuss in detail Section IV, Chapter 2 of the Manual of Internal Fund Accounting guidelines for fundraising activities. The procedures instituted require that all financial transactions associated with the students fundraising activities must be recorded in appropriate students/interest clubs, class or department functions available under the Classes and Clubs Program (5003).

In addition, the Principal reviewed with the Treasurer Section II, Chapter 5 of the Manual of Internal Fund Accounting general policy for all disbursements. All disbursements for expenditures will be paid from the school's Internal Fund via check and will be approved by the principal.

The Treasurer will prepare deposit packages and the Principal will review on a weekly basis supporting documentation to ensure that there are no discrepancies and that the amount posted is on a timely basis.

RECOMMENDATIONS:

- 1.4 Ensure that purchases from PTA-related activities are handled separately from the school. Any merchandise ordered by the PTA must be invoiced to the PTA and not the school.
- 1.5 Strengthen review of school-allied events and activities with the PTA and closely monitor the activities to ensure that only PTA members are involved in the collection process. School staff can assist with certain aspects of PTA fundraisers but cannot collect funds.
- 1.6 Ensure that the proper fundraising applications and operating reports are prepared for all school sponsored fundraisers and maintained on file.
- 1.7 Discuss disbursement and donation procedure with PTA to ensure awareness and understanding that payments for school-sponsored field trips must be made by the school to promote accountability of the related trip expenses. Convey that monetary assistance is always welcomed in the form of donations.

Person(s) Responsible:

Principal, Treasurer

Management Response:

The Principal held a meeting with the Treasurer and PTA to review and discuss in detail Section IV, Chapter 2 of the Manual of Internal Fund Accounting, fundraising activities. Fundraising activities that do not support the education and general welfare, and morale of students, along with the legitimate extra-curricular of the student body shall not be sponsored by the school. School-sponsored fundraising activities must be accounted for in the school's internal fund. All allowable fundraising activities must be presented for approval by the Principal. The Principal will ensure that the proper fundraising activities documentation, *Application for Fund Raising Activity* (FM-1018) and *Region Office Approval for Fundraising Activity* (FM-5656) are properly completed and submitted to the region office for approval before any fundraising activities take place. The Principal will ensure that purchases made by the PTA are invoiced to the PTA.

In addition, the Principal reviewed with the Treasurer Section IV, Chapter 1 of the Manual of Internal Fund Accounting general policy, field trips. School Allied organizations are welcomed to make monetary donations to the school, accompanied by a donation letter specifying the intent to fund entirely or partially subsidize the cost of school-sponsored student field trips. The Principal will keep a copy of the donation letter in her office and a copy of the donation letter in the respective fieldtrip file as supporting document for expenditures.

RECOMMENDATIONS:

- 1.8 Discuss with PTA that the officers who are check co-signers cannot be employees of the school and that employees of the school who are PTA members cannot be involved in PTA collections.
- 1.9 Ascertain that all supporting field trip documentation is maintained on file, especially when subsidizing a portion of the field trip expenses with donations and/or other monetary sources.
- 1.10 Consider assigning official receipt books to a specific field trip/activity to improve the documentation supporting the collections.

Person(s) Responsible:

Principal, Treasurer

Management Response:

The Principal held a meeting with the Treasurer, Faculty and PTA to review and discuss in detail Section IV, Chapter 12 of the Manual of Internal Fund Accounting, PTA/Booster Club Activities. The Principal will be the sole authority of approving the activities of the PTA/PTSA groups. The Faculty and the school staff who are members of the PTA/PTSA will serve as liaisons between the PTA/PTSA and the school, and have been directed to refrain from serving as co-signers of the organization, handling of money or merchandise for PTA/PTSA group's fundraisers or events.

In addition, the Principal reviewed with the Treasurer Section IV, Chapter 1 of the Manual of Internal Fund Accounting general policy, field trips. The Treasurer will insure that all supporting field trip documents are maintained on file especially when subsidizing a portion of the field trip expenses with donations and/or other monetary sources by assigning a separate folder to each individual field trip and placing them in a secure location.

The Treasurer will also ensure that official receipt books will be individually assigned to out of county field trips. Furthermore, the Principal will review on an ongoing basis all field trip documentation and receipt books to ensure that they are properly maintained.

In addition, the Principal reviewed with the Treasurer Section II, Chapter 5 of the Manual of Internal Fund Accounting general policy for all disbursements. All disbursements for expenditures to be paid from the schools Internal Fund must be made via check and must be approved by the Principal. The Principal and Treasurer will participate in additional training in the area of Internal Funds-Fundraising, PTA/Booster Club Activities, and Field Trips. In addition, the Principal has developed a detailed plan to closely monitor fundraising PTA/Booster Club activities, and field trips to ensure the proper handling of the aforementioned. This plan will include:

- That a blanket approval request form for proposed activities, within the school (FM-6570) or out in the community (FM-6571) has been approved by the region center superintendent.
- Ensure that PTA/Booster Club activities are not commingled with the school's internal funds activities.
- Request a detailed PTA/Booster Club treasurer's report on a monthly basis with all related documentation attached.

The Principal will conduct mini reviews on a weekly basis to ensure that all procedures have been followed and any anomalies are corrected immediately. The Principal will review on a weekly basis all documentation pertaining to Fundraising, PTA/Booster Club Activities, and Field Trips. Any anomalies will be corrected immediately.

It is expected that after implementation of the above mentioned procedures, any and all future audit exceptions will be avoided.


If you require additional information, please contact me at (305) 888-5904.

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Garcia

MEMORANDUM

May 23, 2012

TO: Dr. Carmen B. Marinelli, Regional Superintendent
North Central Regional Center

FROM: Luis Diaz, Principal 
American Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
AMERICAN SENIOR HIGH SCHOOL

The cited audit findings for the period of July 1, 2010 to June 30, 2011 have been carefully reviewed by the Principal. As a result the Principal has established corrective and preventive measures in order to prevent future occurrences.

RECOMMENDATIONS:

- 1.1 Discuss receipting and depositing procedures with staff for their understanding and awareness of the requirements.
- 1.2 Strengthen the review and oversight over the receipting/depositing activities to ensure that monies are timely remitted to the treasurer for deposit.
- 1.3 Ensure that the Collections/Deposit Log (FM-7249) is properly utilized to document those deposits packages awaiting the armored car pickup service.

Person(s) Responsible:

Principal, Treasurer

Management Response:

The Principal held a meeting with the Treasurer to review and discuss in detail Section II, Chapter 3 of the Manual of Internal Fund Accounting guidelines for receipting collections and documenting deposits associated with internal funds activities. The procedures instituted require that monies collected be timely and receipted and deposited in a timely manner. Deposits will be made daily if the amount exceeds \$300.00. At a minimum, deposits will be made on the last working day of the week regardless of the amount collected.

The Treasurer will prepare deposit packages and the Principal will review on a weekly basis supporting documentation to ensure that there are no discrepancies and that the amount posted is in a timely basis.

The Principal will ensure that money collected will be verified by at least two designated persons (Treasurer and Principal/Designee), and placed in the safe to be deposited on the next business day. The Collections/Deposits Log (FM-7249) will be utilized when monies are placed in the safe. The Principal will review the Collections/Deposits Log on a weekly basis to ensure compliance.

The Principal will meet with the Region Director on a monthly basis with receipts, deposits and logs in order to verify the timeliness of transactions.

RECOMMENDATION:

- 1.4 Strengthen controls over the disbursement function to ensure that written bids are obtained for purchases of \$1,000 or more but less than \$50,000. *One of these bids must be from a certified minority enterprise.***

Person(s) Responsible:

Principal, Assistant Principal, Treasurer

Management Response:

The Principal held a meeting with the Treasurer to discuss Section II Chapter 4 and 5 of the Manual of Internal Fund Accounting to review and reinforce procedures relative to the guidelines for disbursements of funds in a timely manner including the proper documentation in the form of an original invoice for goods or items purchased. Prior to making payments the invoices mathematical accuracy of the invoice will be verified by the Treasurer.

The Principal will obtain three documented quotes/bids, including one from a minority vendor, when an individual purchase is over \$1,000 and attach to the invoice.

The Principal, along with the Assistant Principal, will conduct mini reviews on a weekly basis to ensure that all procedures have been followed and any anomalies are corrected immediately. The Principal will review weekly disbursements, including the Fund 9 replenishment, on a monthly basis with the Region Director.

If you require additional information, please contact me at (305) 557-3770.

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

May 24, 2012

TO: Dr. Carmen B. Marinelli, Regional Superintendent
North Central Regional Center

FROM: Raymond L. Fontana, Principal
North Miami Beach Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT
REPORT OF NORTH MIAMI BEACH SENIOR HIGHSCHOOL**

The following is a response to relevant findings in the school audit report of North Miami Beach Senior High School. The Principal has carefully reviewed the findings and as a result corrective and preventive measures have been established in order to prevent future occurrences.

RECOMMENDATION

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

Persons(s) Responsible: Principal; ESOL Department Chairperson

Management Response:

The Principal held a meeting with the ESOL Department Chairperson and the Assistant Principal to review the 2011-2012 *Opening of School Information and Reminders*, the *Division of Bilingual Education and World Languages memoranda*, and the *District Plan for Services to English Language Learners (ELLs)*.

The ESOL Department Chairperson will ensure the procedures that state parents/guardians must be notified each school year and the Notice to Parents/Guardians of Limited English Proficient (LEP) Students (FM6577) will be placed in the LEP folder in a timely manner. Also, The CELLA test score report will be included in the LEP folder and verified by the Assistant Principal. In addition, the Assistant Principal will verify that the student schedule is printed prior to the survey week and included in the LEP folder as part of documentation.

- The ESOL Department Chairperson will provide the Assistant Principal with the student schedules for review and signature prior to the October FTE survey period.
- The Assistant Principal and Department Chairperson will conduct a mini review of the LEP folders to ensure the proper documentation and contents have been filed prior to the October FTE survey period.
- A new ESOL department chairperson will be assigned for 2012-2013.
- The Principal will coordinate with the Region Office training for the new ESOL Department Chairperson prior to the new school year.

If you require additional information, please contact the Principal at (305) 949-8381.

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

May 23, 2012
GCH:2011-12:M#028

TO: Dr. Carmen B. Marinelli, Regional Superintendent
North Central Regional Center

FROM: Gwendolyn C. Hines, Principal *GCHines*
John I. Smith K-8 Center

SUBJECT: **ADMINISTRATIVE RESPONSE TO THE INTERNAL AUDIT REPORT OF
SCHOOL FOR THE 2010-2011 FISCAL YEAR**

The cited audit findings for the period of July 10, 2010 through June 30, 2011 have been carefully reviewed by the Principal. As a result, the Principal has established corrective and preventive measures in order to prevent future occurrences:

RECOMMENDATIONS:

- 1.1 Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. *Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255.*
- 1.2 Ensure that all SPED students folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.

Person(s) Responsible: Principal, Assistant Principals, SPED Teachers

MANAGEMENT RESPONSE:

The Principal held a meeting with the SPED Department and administration to review Section D of the *Local Education Agency (LEA) Implementation Guide* and the *Matrix of Services Handbook 2004 Revised Edition* to ensure that information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Team will scrutinize with fidelity all documents corresponding to students funded at levels 254 and 255.

The Administrative Team and SPED teachers will ensure that all folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated in a monthly basis.

RECOMMENDATION:

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

Person(s) Responsible: Principal, Assistant Principals, ESOL Chair/Teachers

MANAGEMENT RESPONSE:

The Principal held a meeting with the ESOL Department and administration to discuss procedures to be implemented to reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria. The ESOL Chair will monitor monthly to the assigned Assistant Principal and report any discrepancies with paperwork and/or services. The Assistant Principal will review the monthly findings with the Principal to ensure that all documents are accurate and filed in the appropriate student folders.

It is expected that after implementation of the above mentioned recommendations, future audit exceptions will be avoided.

If you require additional information, please contact me at (305) 406-0220.

GCH/jd

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

May 29, 2012

TO: Dr. Carmen B. Marinelli, Regional Superintendent
North Central Regional Center

FROM: Vanady A. Daniels, Principal
Arcola Lake Elementary School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT
REPORT OF ARCOLA LAKE ELEMENTARY SCHOOL**

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

FTE

RECOMMENDATION

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

Persons(s) Responsible: Principal

Management Response:

The Principal requested that two (2) instructional employees be trained by the staff from the District's Bilingual Department. The employees have conducted mini-reviews of each ESOL file for the documents and forms in question. As a result, all ESOL file folders are being reviewed. Some of the discrepancies are currently pending resolution, while others have been resolved. This administrator has met with and assigned an ESOL teacher for the 2012-2013 school year. The Principal, Assistant Principal and ESOL teacher will attend District provided professional development to ensure that all policies and procedures are followed and that all respective records are maintained accurately. Henceforth, monthly ESOL reviews of students' ESOL documents and LEP folders at the school site have been scheduled for the 2012-2013 school year. During such reviews, staff will audit LEP folders for all appropriate documentation such as letters to parents, CELLA test results, parent and teacher signatures, other items to avoid any recurrences of discrepancies. Any anomalies will be corrected immediately.

For further information and/or clarification of the aforementioned procedures, please feel free to contact this administrator at (305) 693-8712, or vdaniels@dadeschools.net.

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

May 29, 2012

TO: Dr. Carmen B. Marinelli, Regional Superintendent
North Central Regional Center

FROM: Karen Powers, Principal *KP*
Norland Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
NORLAND ELEMENTARY SCHOOL

The following is a response to relevant findings for the period of July 10, 2010 through June 30, 2011 in the school audit report of Norland Elementary School. As a result, the Principal has established corrective and preventive measures in order to prevent future occurrences:

RECOMMENDATION

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

Person(s) Responsible: Principal, Assistant Principal, ESOL Teacher

Management Response:

The Principal held a meeting with the ESOL teacher and the Assistant Principal to develop a plan to review the ESOL Program Record Folders. Prior to the October FTE, the ESOL teacher will copy, sign, and date the ELL/LEP Student Plans and submit them to the Principal on a monthly basis.

Each month, the ESOL teacher along with the Assistant Principal will conduct an in-house review of the ESOL Program Record Folders of three ELL students by completing the *ELL Folder Checklist*. The ESOL teacher will receive the Attendance Bulletin daily to check for incoming ELL students. The Principal will coordinate training on ESOL guidelines and procedures with the Region office to become knowledgeable of ESOL program requirements.

In addition, the Principal will review the incoming cumulative records of ELL students to ensure that all of the required documents are in the ESOL Program Record Folders. Any anomalies will be reported to the sending school and corrected immediately.


If you require additional information, please contact me at (305) 652-6140.

cc: Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

May 31, 2012

TO: Dr. Alexis Martinez, Region Superintendent
South Central Regional Center

FROM: Christopher J. Shinn, Principal 
Law Enforcement Officers' Memorial High School

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR
LAW ENFORCEMENT OFFICERS' MEMORIAL HIGH SCHOOL – LOC. #7033

The following is a response to the findings in the Law Enforcement Officers' High School Audit Report for the 2010-2011 and 2011-2012 fiscal years up to April 2012. The audit findings have been carefully reviewed by the Principal and, as a result, the following corrective actions have been established to prevent recurrence.

Receipt/Deposits Non-Compliant with Guidelines

RECOMMENDATIONS

- 1.1 Discuss receipting and depositing procedures with faculty and staff for understanding and awareness of the requirements.
- 1.2 Direct the treasurer to inform the Principal of any instances where faculty and sponsors are not turning collections in a timely manner.
- 1.3 Periodically review deposit packages to ensure the timely deposit of the collections.

Responsible Person(s): Principal, Treasurer and Faculty

Management Response

In order to ensure compliance with receipts and deposit guidelines, the Principal, Assistant Principal, and the treasurer met with faculty members responsible for collecting fees and reviewed the policies and procedures regarding the collection, accounting, and depositing of monies generated from Internal Fund activities as established in Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting*.

In order to avoid recurrence of instances where faculty and sponsors are not turning collections in a timely manner, the Treasurer will contact sponsors and faculty daily to inquire if they have any collections to be deposited.

In order to ensure the timely deposit of the collections, the Principal will periodically review deposit packages.

Inadequate Controls Over Disbursements

RECOMMENDATIONS

- 2.1. Review the disbursement function with staff to create awareness and understanding of the requirements and expectations.
- 2.2. Direct the Treasurer to use the purchase order system for all purchase orders of \$100 or more and to obtain the acknowledgement of receipts on all invoices.
- 2.3. Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation.

2.4. Remit the unpaid sales tax to the Florida Department of Revenue.

Responsible Person(s):

Principal and Treasurer

Management Response

On April 24, 2012, the Principal, Assistant Principal and Treasurer reviewed Section 4 of the *Manual of Internal Fund Accounting*, specifically with regard to the receipting of goods/services. The Principal met with faculty and staff on May 8, 2012, and provided a copy of the relevant section of the *Manual of Internal Fund Accounting* document and advised them of their responsibility to sign receipt of the goods/services to confirm that merchandise is received or services have been rendered.

The Principal met with the Treasurer on April 24, 2012, and instructed her to use the purchase order system for all purchases of \$100 or more and to obtain the acknowledgement of receipts on all invoices.

The Principal will meet on a monthly basis with the Treasurer to ensure that the purchase order system is being used appropriately and to review invoices for appropriate acknowledgement of receipts on all invoices.

On April 24, 2012, the Principal met with the Treasurer to review Section IV, Chapter 9 of the *Manual of Internal Fund Accounting*. The Treasurer was instructed to ensure that sales tax be paid for merchandise purchased by the school for resale.

The Treasurer reviewed all purchases of merchandise for resale to ensure that sales tax is paid. On May 25, 2012, the treasurer contacted all vendors of the four instances found and requested invoices for the sales taxes due. On May 30, 2012, two of the invoices were paid, and the other invoices will be paid upon receipt.

Inadequate Controls Over Yearbook Sales

RECOMMENDATIONS

3.1. Periodically meet with the yearbook sponsor to monitor the progress of the activity and to make adjustments, as needed.

3.2. Ensure that staff understands and adheres to the procedures for completing yearbook reports, and for maintaining on file complete documentation relating to the activity.

Responsible Person(s):

Principal

Management Response

On May 24, 2012, the Principal in cooperation with the Assistant Principal and Activities Director, met with the Yearbook Sponsor and Treasurer to review Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*. The Principal, Assistant Principal, Yearbook Sponsor, reviewed previously completed yearbook documents.

The Principal and Assistant Principal will meet monthly with the Yearbook Sponsor and the Treasurer to review that deadlines are met and that reports are completed appropriately.

Adjustments in the total number of yearbooks purchased for the 2012-2013 school year have been made and bid quantities have been reduced. The Principal, the Assistant Principal, the Treasurer, and the Yearbook Sponsor are reviewing marketing strategies to ensure that all yearbooks are sold.

If any further information or additional strategies are necessary, please contact me at 305-371-0400.


CJS:bmo

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

May 31, 2012

TO: Dr. Alexis L. Martinez, Region Superintendent
South Central Regional Center

FROM: Manuel S. Garcia, Principal 
G. Holmes Braddock Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
G. HOLMES BRADDOCK SENIOR HIGH SCHOOL

The following is in response to the relevant findings in the school audit report for G. Holmes Braddock Senior High School.

RECOMMENDATIONS

- 1.1 Discuss the guidelines with the Athletic Director, Athletic Business Manager and the Treasurer to ensure their understanding of the expectations regarding the overall balance of the Athletic Fund.
- 1.2 Assign an administrator and/or the Athletic Business Manager to oversee Athletic Fund account balances and activity and to periodically meet with the treasurer to review account balances.
- 1.3 Ensure that the Athletic Fund holds sufficient funds prior to approving any related expenditure of signing a check.
- 1.4 Discontinue the practice of operating the Athletic Fund in the deficit.
- 1.5 Periodically review Athletic Fund accounts and balances, as well commissions received from vending machines and other funding sources that may be utilized for athletic activities, and make any necessary transfers to prevent an overall Athletic Fund deficit. If funds are not sufficient to cover proposed expenditures, the school should adjust spending plans accordingly.

Person(s) Responsible: Principal, Assistant Principal, Treasurer,
Athletic Director and Athletic Business Manager

Management Response

In order to ensure that awareness and understanding of adequate controls over the Athletic Fund take place; the Principal implemented the following corrective actions and preventative strategies with regard to the Athletic Fund.

The Principal met with the Athletic Director, Athletic Business Manager and the Treasurer on Monday, April 23, 2012, to carefully review and discuss Section III, Chapter 1 of *the Manual of Internal Fund Accounting*.

On Tuesday, February 14, 2012, the Principal met with the Athletic Business Manager to review available funds related to Classes and Clubs' sports activity and determine an appropriate source of funding to cover the current deficit. The Principal further directed the Treasurer to transfer funds from the school's Athletic Club account to cover the current deficit. The transfer has been made and the deficit has been corrected.

The Principal assigned the Assistant Principal to oversee the Athletic Fund account balances and activity. The Assistant Principal will meet monthly with the Athletic Business Manager and the Treasurer to review expenditures and current balances. Prior to approving any expenditure or signing a check, the Principal will ensure that the Athletic Fund has the available funds to cover the expenditure.


The Principal will meet with the Athletic Business Manager monthly to review all expenditures and commissions received from vending and other revenue generating sources related to Classes and Clubs' sports activity accounts. At such time, the necessary and allowable transfers will be made to ensure a positive balance.

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

May 29, 2012

TO: Dr. Alexis Martinez, Regional Superintendent
South Central Regional Center

FROM: Cecilia C. Sanchez, Principal 
Dr. Carlos J. Finlay Elementary

**SUBJECT: SCHOOL SITE AUDIT CORRECTIVE ACTION PLAN - RESPONSE TO
SCHOOL SITE AUDIT REPORT – DR. CARLOS J. FINLAY ELEMENTARY**

The following is a response to the audit findings for Dr. Carlos J. Finlay Elementary Audit Report for the 2011 - 2012 Fiscal Year. The audit findings have been carefully reviewed by the Principal. As a result, the following corrective actions have been established to prevent recurrence.

RECOMMENDATION

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

Responsible Person(s):

Principal, Assistant Principal

MANAGEMENT RESPONSE

The Principal held an ELL compliance meeting on April 10, 2012, with all administrative, instructional, and clerical personnel responsible for ELL documentation and communicated this new requirement to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District. All ELL folders were subsequently corrected and all front pages reflect protocols as required. Files were reviewed by the Assistant Principal and Principal to ensure corrective action was completed.

On April 10, 2012, the Principal directed team members comprised of the Assistant Principal, ESOL Chairperson, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. Specific procedures were delineated to meet the specifications of ISIS as well as Home Language Survey Form (FM-5196) to ensure that they are properly completed and maintained in folders. The team has also been instructed to ensure that the purpose for convening LEP Committees is properly documented and detailed on the LEP Plan. The team will continue to work on a quarterly basis to review cumulative records with focused attention on accuracy.

The team was directed to review all ELL program record folders to ensure that the specified documents are on file and aligned with ISIS, including: the original Home Language Survey Form (FM-5196), Annual WLEP with appropriate signatures/dates, Copy of all Annual Letters of participation (FM-6576), ELL Committee Notifications and purpose for meeting clearly stated on LEP Plan.

The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records for ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual. The Principal will request a subsequent review of the ELL records from the Division of Bilingual Education and World Languages.


If you have any further questions or concerns regarding this matter, please feel free to contact me at (305) 480-7910.

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

May 24, 2012

TO: Ms. Valtena Brown, Regional Center Superintendent
South Regional Center

FROM: Kimberly Davis, Principal 
Robert Morgan Educational Center

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT FOR ROBERT MORGAN EDUCATIONAL CENTER**

The following is a response to findings in the school audit report for Robert Morgan Educational Center. A plan has been developed and implemented to address the following recommendations:

RECOMMENDATIONS

Money Market Transfer to Checking Account – untimely process resulted in the checking account year-end deficit (High School)

- 1.1 Discuss the Bookkeeping procedures with the new Treasurer to ensure her understanding of the job.
- 1.2 Direct the Treasurer to transfer funds and post the transactions in a timely manner; and monitor the checking account balances to ensure that funds are sufficient to cover disbursements.
- 1.3 Assign an administrator to oversee the Treasurer's office and direct him/her to meet frequently with the treasurer to ensure the propriety of the bookkeeping function and the accuracy of the Bank Reconciliations.
- 1.4 Periodically meet with the assigned administrator to ensure that the bookkeeping functions are working as designed and to discuss the timely implementation of corrective actions resulting from any of these reviews.

Person(s) Responsible: Principal, Senior High Vice Principal, and Treasurer

Management Response:

The Principal met with the Vice Principal and Treasurer to review Section II, Chapters 1 and 7 of the *Manual of Internal Fund Accounting*. In order to ensure compliance with all policies and procedures delineated in said manual, the Principal, Vice Principal, and Treasurer will meet bi-weekly to review activity posted to the internal funds accounts.

The Treasurer has been directed to transfer funds and post all transactions in a timely manner; and monitor checking account balances to ensure that funds are sufficient to cover disbursements. This will be verified by the High School Vice Principal during their weekly meetings with the Treasurer.

The High School Vice Principal has been designated as the administrator over internal funds' financial activities. The Vice Principal will meet weekly with the Treasurer to ensure the propriety of the bookkeeping function and the accuracy of the Bank Reconciliations.

During the weekly meeting, the Vice Principal will review the records with the Treasurer to ensure that the bookkeeping function is working as designed and will monitor the timely implementation of corrective action resulting from any of these reviews.

Inadequate Controls over Year Book Sales (High School)

- 2.1 Periodically meet with the yearbook sponsor to monitor the health and well-being of the activity and to make adjustments, as needed.
- 2.2 Ensure that staff understands and adheres to the procedures for completing yearbook reports, and for maintaining on file, complete documentation related to the activity.
- 2.3 Ensure that the yearbook is paid in a timely manner.

Person(s) Responsible: Principal, Senior High Vice Principal, Treasurer, and Yearbook Sponsor

Management Response:

The Vice Principal has been designated as the administrator over internal funds' financial activities. The Principal met with the Vice Principal, Treasurer, and Yearbook Sponsor to review Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*. In order to ensure compliance with all policies and procedures, the Principal, Vice Principal, Treasurer, and Yearbook Sponsor will meet bi-monthly to review all activity with regards to the yearbook.

The Yearbook Sponsor has been directed to adhere to all policies and procedures regarding Yearbook in the Manual of Internal Accounting. This will be monitored by the Vice Principal in his bi-monthly meetings with the Treasurer, and the Yearbook Sponsor.

The Treasurer was directed by the Principal to ensure that the Yearbook is paid in a timely fashion. This will be monitored by the High School Vice Principal. The Principal will monitor this function to ensure payment is processed in a timely manner.

Inadequate Reporting and Documenting of Payroll (Adult Education Center)

- 3.1 Review payroll procedures with school staff and administration, particularly as it relates to the preparation of leave cards for understanding and awareness of the requirements and expectations.
- 3.2 Direct the payroll clerk to ensure that leave cards are completed and signed prior to filing payroll records.
- 3.3 Strengthen the supervision over the payroll functions and the review of the payroll records to ensure the accuracy of the payroll.
- 3.4 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.

Person(s) Responsible: Principal, Post-Secondary Vice Principal, Post-Secondary Assistant Principal and Payroll Clerk

Management Response:

Inadequate Reporting and Documenting of Payroll (Adult Education Center)

The payroll for both the senior high school and for the post secondary education center will be approved by the Principal. The Principal reviewed the sign in/out payroll procedures and the proper documenting of payroll hours with the Post-Secondary Vice Principal, Post-Secondary Assistant Principal, Post-Secondary Payroll Clerk, High School Vice Principal, and High School Payroll Clerk. During a faculty meeting, the Principal conducted a review of the sign in/out payroll procedures with all staff. The Post-Secondary

Assistant Principal and High School Vice Principal will conduct a preliminary review during each payroll period. The Principal will conduct a final review of the final roster, leave cards and supporting payroll documentation to verify the accuracy of payroll prior to final approval.

The Post-Secondary Payroll Clerk was directed to ensure that all leave cards are completed and signed by the employees prior to submitting to the administration for approval. The Post-Secondary Vice Principal will conduct a second review to ensure that all leave cards are completed and signed to ensure accuracy of payroll documents.

All administrators and both payroll clerks were directed by the Principal to adhere to all guidelines detailed in the Payroll Processing Procedures Manual and Payroll Fall Highlights, compliance with these guidelines will be monitored by the Principal, the Post-Secondary Vice Principal, and the High School Vice Principal prior to approving the bi-weekly payroll.

The Principal will work with a Mentor Principal assigned by the Region in order to ensure compliance with all internal funds related functions and payroll processes.


If you have any further questions or concerns regarding this matter, please do not hesitate to contact me at 305-253-9920.

cc: Ms. Cynthia Gracia
Mr. Steffond Cone
Mr. Robert Kalinsky

MEMORANDUM

May 24, 2012

TO: Ms. Valtena G. Brown, Regional Center Superintendent
South Regional Center

FROM: Nery Fins, Principal 
Felix Varela Senior High School

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF FELIX VARELA
SENIOR HIGH SCHOOL

The following is in response to relevant findings in the school audit report for Felix Varela Senior High school.

RECOMMENDATIONS

- 1.1 Strengthen control over the disbursement function to ensure that quotes and bids are obtained for purchases of \$1,000 or more but less than \$50,000. One of these bids must be from a certified minority enterprise.

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

MANAGEMENT RESPONSE:

In order to ensure that the disbursement procedures are followed and adhered to in a manner that is in full compliance with Section II, Chapter 4 of the *Manual of Internal Fund Accounting*, and to protect the assets of the school district, a meeting was held with the entire faculty and staff involved in fundraising and purchasing from Internal Funds. In addition, the Principal met with the Secretary/Treasurer, the Assistant Principal, and all club sponsors and coaches to discuss disbursement procedures. During both meetings, the Principal distributed a written communication outlining the importance of adhering to the bids procedures regarding individual purchases of \$1,000 or more, but less than \$50,000, which requires three bids including a certified minority vendor.

The Principal has established a weekly procedure with the Secretary/Treasurer to review documentation of all Internal Funds orders, ensuring that all documentation with appropriate signatures, dates, and three quotes are on file. The Principal will ensure that no purchase is made without prior approval. The Secretary/Treasurer must present all purchase orders and/or quotes to the Principal for review weekly. The Principal will ensure that all purchase orders, meeting threshold amounts, have the three (3) documented quotes.

If you have any further questions or concerns regarding this matter, please do not hesitate to contact me at 305-752-7900 extension 2004.

cc: Ms. Cynthia Gracia
Mr. Steffond Cone
Mr. Robert Kalinsky

MEMORANDUM

May 29, 2012

TO: Ms. Valtena G. Brown, Regional Center Superintendent
South Regional Center

FROM: Juan Carlos Silva, Principal 
Jorge Mas Canosa Middle School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AND FTE AUDIT OF JORGE MAS CANOSA MIDDLE SCHOOL**

The following is in response to relevant findings in the school audit report for Jorge Mas Canosa Middle School.

RECOMMENDATIONS: -

- 1.1 Ensure that district resources and/or additional training are made available to the treasurer to ensure that transactions related to the checking account and monthly reconciliations are timely resolved and posted to the automated accounting system.
- 1.2 Review the disbursement and collection procedures with the treasurer and sponsors to ensure a proper understanding and awareness of the requirements.
- 1.3 Review and discuss bank reconciliations with the treasurer to ensure that any transactions carried over from prior months are timely resolved.
- 1.4 Periodically review deposit packages to ensure that monies collected are timely processed.

Responsible Person(s): Principal, Registrar and Teacher Sponsors

MANAGEMENT RESPONSE:

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* provide the procedures and timelines for collecting and depositing funds generated from internal fund activities. The Principal and the Treasurer have developed a bi-weekly review process to ensure compliance with all recommendations made by the auditing department for compliance with procedures and timelines. The review will consist of the Principal monitoring the posting of all transactions to the automated accounting system and the completion of the monthly reconciliations. Additionally, the Principal has met with the Internal Funds Business Manager to review all posting procedures and concerns to ensure an understanding of the process, in order to provide assistance and proper review of the work of the Treasurer.

The Principal conducted a meeting with all current Teacher/Club Sponsors in order to review all District policies relating to the handling of monies. Directives were given regarding the timeliness of the money collection, recaps and turning in said monies to the Treasurer. The procedures for the collection, remittance and deposit of funds were individually addressed with specific sponsors in order to further clarify and prevent any further errors. Additionally, the Opening of School meeting will include a specific training for Teacher/Club Sponsors that will review all District procedures for the collection of monies, including documentation that all responsible staff has been trained on the procedures.

The Principal reviewed and discussed Bank Reconciliations with the Treasurer regarding any delayed transactions being carried over from month to month. Additionally, the Principal met with the Internal Funds Business Manager to obtain an understanding of the process to properly monitor the Treasurer's work and provide appropriate feedback.

The Principal will periodically monitor the deposit packages to ensure that monies are timely receipted and deposited. The frequency of the monitoring will vary to ensure that it is checked randomly; however, the monitoring will be done periodically.

RECOMMENDATION:

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

Responsible Person(s): Principal, Assistant Principal, Registrar and ELL Chairperson

MANAGEMENT RESPONSE:

For the 2011-2012 school year, guidelines and procedures for maintaining ELL student information were provided through the 2011-2012 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District Plan For Services to English Language Learners (ELL)*. According to the guidelines, 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 cumulative folder. In order to ensure that all LEP Folders are in compliance with District guidelines, the Principal appointed a new ELL Chairperson who possesses significant knowledge of ELL procedures. The LEP Review Team, comprised of the ELL Chairperson, along with the Assistant Principal, ELL Teacher and Principal have reviewed all current ELL Folders and assured that they are complete, accurate and up to date.

Procedures have been established with Student Services personnel and the Registrar in order to ensure that student schedules are printed in a timely manner and updated in the ELL Folders.

The team was directed to review all ELL program records and folders to ensure that the specified documents and CELLA reports are complete when students LEP Folders are received. If any information is missing, a log will be maintained to provide evidence of all attempts made from the receiving school as to the request of any missing information and to ensure information is received.

The team will meet monthly to have an internal review of the files and provide an opportunity to review the newly established procedures to ensure that all ELL procedures and documentations are being followed. A request will be made to secure the services of the Bilingual Department in order to provide additional support.


If you have any further questions or concerns regarding this matter, please contact me at 305-252-5900.

cc: Ms. Cynthia Gracia
Mr. Steffond Cone
Mr. Robert Kalinsky

MEMORANDUM

May 24, 2012

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Ms. Marisol Diaz, Principal 
Pinecrest Elementary

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR PINECREST
ELEMENTARY SCHOOL

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

RECOMMENDATIONS

- 1.1. Review the disbursement and deposits procedures with faculty and staff to ensure a proper understanding of the requirements and expectations.
- 1.2. Ensure that district resources and additional training are made available to the Treasurer to ascertain that transactions related to the checking account, monthly reconciliations and stale dated checks are timely processed.
- 1.3. Periodically meet with the Treasurer to review the records and ensure that timelines for processing transactions are being observed and documentation supporting the transactions is complete.

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

Management Response:

In order to ensure appropriate controls are placed over the bookkeeping function, posting delays and other discrepancies, the following actions have been taken:

The Principal has met with the Treasurer and Assistant Principal to ensure proper disbursement procedures. These procedures include the proper use of a calendar file to ensure timely preparation of the actual check within 30 days, as well as payment and immediate posting of disbursements in MSAF.

The printing of the posting screen is now required by administration when signing any check to ensure timely postings. Prior to signing checks, invoices to support the payment will be reviewed to ensure accuracy in payments.

The Principal and treasurer will monitor outstanding checks from the Monthly Bank Reconciliation from the prior month and will follow guidelines in which the school must contact payees of school checks, outstanding for three months or more, and follow all guidelines according to Section II, Chapter 5 of the *Manual of Internal Fund Accounting*. Any adjusting entries reflected in the Monthly Bank Reconciliation not fully resolved, will be discussed to enforce corrective action.

Principal met with Treasurer and Faculty to review procedures according to Section II of the **Manual of Internal Fund Accounting** relating to money collections and deposits. Information will be further reviewed with the incoming Treasurer at the beginning of the year and in the future.

The Principal has established a monitoring checklist for the treasurer to follow for all deposit packages to ensure they are numbered and have the necessary required documentation. The Principal will further review all deposit packages with a monitoring checklist to ensure continued compliance and enforce corrective action.

The Principal, Assistant Principal and Treasurer will review past Money Matter webcast power points and participate in ongoing webcasts for additional training.

The Treasurer attended the End of Year Closing Meeting provided by the District and continues to be mentored by the assigned Internal Funds Business Manager and Mentor Elementary Treasurer. The incoming Treasurer will continue to work with the support personnel in order to gain maximum proficiency.

The Principal, Treasurer, faculty and staff will continue to reference **The Manual of Internal Fund Accounting** for continued compliance with internal accounting procedures.

If any further corrective actions or additional strategies are necessary, I may be contacted at 305-667-5579.

CC: Ms. Cynthia Gracia
Mr. Robert Kalinsky

MEMORANDUM

June 4, 2012

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

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



**SUBJECT: NORTH CENTRAL REGIONAL CENTER RESPONSE TO INTERNAL
REPORTS FOR ARCOLA LAKE ELEMENTARY, NORLAND
ELEMENTARY, MIAMI SPRINGS ELEMENTARY, JOHN I. SMITH K-8
CENTER, AMERICAN SENIOR HIGH AND NORTH MIAMI BEACH
SENIOR HIGH**

The following is a response to relevant findings in the schools audit reports.

North Central Regional Center has reviewed the audit response for the above-mentioned schools. As a result of the audit findings, the following support activities will be implemented at the Regional level:

**ARCOLA LAKE ELEMENTARY
RECOMMENDATION:**

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

**NORLAND ELEMENTARY
RECOMMENDATION:**

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

**MIAMI SPRINGS ELEMENTARY
RECOMMENDATIONS:**

- 1.1 Discuss fundraising procedures with the entire faculty and staff and the school's PTA to ensure awareness and understanding of the proper procedures for handling fundraising proceeds. It is critical that faculty and staff are fully aware that monies collected by staff and activities

handled by the school must be recorded through the internal funds of the school.

- 1.2 Discontinue paying vendors directly from cash collections and direct the treasurer and staff not to make any such payments in the future. Ensure that all vendor payments associated with fundraisers are made via internal funds checks.
- 1.3 Direct treasurer not to turn any monies collected by the school directly to a vendor but to record in the internal funds of the school all collections made by the staff.
- 1.4 Ensure that purchases from PTA-related activities are handled separately from the school. Any merchandise ordered by the PTA must be invoiced to the PTA and not the school.
- 1.5 Strengthen review of school-allied events and activities with the PTA and closely monitor the activities to ensure that only PTA members are involved in the collection process. School staff can assist with certain aspects of PTA fundraisers but cannot collect funds.
- 1.6 Ensure that the proper fundraising applications and operating reports are prepared for all school sponsored fundraisers and maintained on file.
- 1.7 Discuss disbursement and donation procedure with PTA to ensure awareness and understanding that payments for school-sponsored field trips must be made by the school to promote accountability of the related trip expenses. Convey that monetary assistance is always welcomed in the form of donations.
- 1.8 Discuss with PTA that the officers who are check co-signers cannot be employees of the school and that employees of the school who are PTA members cannot be involved in PTA collections.
- 1.9 Ascertain that all supporting field trip documentation is maintained on file, especially when subsidizing a portion of the field trip expenses with donations and/or other monetary sources.
- 1.10 Consider assigning official receipt books to a specific field trip/activity to improve the documentation supporting the collections.

**JOHN I. SMITH K-8 CENTER
RECOMMENDATION:**

- 1.0 Discrepancies in Special Education (SPED) Student Records Resulted in Potential Full-Time Equivalent (FTE) Funding Disallowances.**

**AMERICAN SENIOR HIGH SCHOOL
RECOMMENDATIONS:**

- 1.1 Discuss receipting and depositing procedures with staff for their understanding and awareness of the requirements.**
- 1.2 Strengthen the review and oversight over the receipting/depositing activities to ensure that monies are timely remitted to the treasurer for deposit.**
- 1.3 Ensure that the Collections/Deposit Log (FM-7249) is properly utilized to document those deposits packages awaiting the armored car pickup service.**

NORTH MIAMI BEACH SENIOR HIGH SCHOOL

- 1.0 To reduce the probability of potential losses in funding and other noncompliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- The affected principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
 - The Administrative Director will review FTE records periodically throughout the school year to ensure compliance with ESOL Program Record Folders and SPED IEP's.
 - The Administrative Director will conduct mini-audits throughout the year to ensure compliance with Internal Funds.

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

cc: Dr. Daniel Tosado
Ms. Jennifer D. Andreu
Ms. Cynthia Gracia

MEMORANDUM

June 4, 2012

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

FROM: Dr. Alexis Martinez, Regional Superintendent
South Central Regional Center



**SUBJECT: RESPONSES TO AUDIT REPORT OF SOUTH CENTRAL
REGIONAL CENTER**

Please find below the responses to the audit finding for the 2010-2011 fiscal year for Dr. Carlos J. Finlay Elementary, G. Holmes Braddock Senior High School, and Law Enforcement Officers' Memorial Senior High School. South Central Regional Center has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Dr. Carlos J. Finlay Elementary School

1. Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances

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

G. Holmes Braddock Senior High School

1. Inadequate Oversight Over the Athletic Fund Resulted in Year-End Deficit

- The South Central Regional Center Financial/Business Operations Director, instructed the Principal to thoroughly review Section III, Chapter 1 of the Manual of Internal Fund Accounting, Athletic Fund and to develop a systematic plan to follow to ensure that expenditures charged to the individual sport team and general accounts do not exceed the overall positive available funds.
- The Financial/Business Operations Director instructed the Principal to immediately review other accounts in the internal funds of the school associated with Classes and Clubs' sports activity and other related internal fund accounts (as allowed by the guidelines) to determine whether available funds may assist in reducing/eliminating the current Athletic Fund deficit.
- The South Central Regional Center Financial/Business Operations Administrative Director, cooperatively with the Principal, will review the balance of the Athletic Fund on a quarterly basis to ensure that there is a positive balance.

Law Enforcement Officers' Memorial High School

1. Receipts/Deposits Non-Compliant with Guidelines

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper and timely receipting of monies.
- The South Central Regional Center Financial/Business Operations Director will conduct site reviews to ensure compliance with guidelines in Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, specifically as it relates to the timely collection of fees and receipting of monies.

2. Inadequate Controls Over Disbursements

- The South Central Regional Center Financial/Business Operations Director will conduct site reviews to ensure compliance with guidelines in Section II, Chapter 4 of the Manual of Internal Fund Accounting, specifically as it relates to receipting of goods/services and the use of the Purchase Order system.
- The South Central Regional Center Financial/Business Operations Director instructed the Principal to thoroughly review Section IV, Chapter 9 of the Manual of Internal Accounting to ensure that procedures are followed in regard to the payment of sales tax.

3. Inadequate Controls Over Yearbook Sales

- The South Central Regional Center Financial/Business Operations Director instructed the Principal to closely monitor 2011-2012 yearbook sales.
- Additionally, based on the 2011-2012 yearbook sales results, the Principal and the Administrative Director will confer and discuss yearbook bid stipulations and procedures prior to making and signing the contract for the 2012-2013 school year.
- The Principal has been directed to meet monthly with the Yearbook Sponsor to review that Monthly Operating Reports are prepared accurately and timely.

Principals will participate in the District Mandatory Money Matters Support Program.

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


ALM/li
M70

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

May 21, 2012
VGB/2011-2012/M#166
305-252-3041

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

FROM: Valtena G. Brown, Regional Center Superintendent 
South Regional Center

SUBJECT: **JORGE MAS CANOSA MIDDLE SCHOOL, ROBERT MORGAN EDUCATIONAL CENTER, PINECREST ELEMENTARY SCHOOL AND FELIX VARELA SENIOR HIGH SCHOOL RESPONSE TO AUDIT EXCEPTIONS FOR THE 2010-2011 FISCAL YEAR.**

Please find attached, the responses to the internal funds audit for the 2010-2011 fiscal year for Jorge Mas Canosa Middle School, Robert Morgan Educational Center, Pinecrest Elementary School and Felix Varela Senior High School. The following activities will be implemented at the Regional level:

JORGE MAS CANOSA MIDDLE SCHOOL

Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances.

The South Regional Center Administrative Director for Financial/Business Operations will solicit assistance from the Bilingual Department to conduct mini reviews, quarterly, in selected areas of the ELL Program to ensure compliance at Jorge Mas Canosa Middle School. The South Regional Center Administrative Director for Financial/ Business Operations will review the results of the mini reviews with the Principal and facilitate any corrections as necessary. The Region will contact the Bilingual Department to work with the Principal to ensure compliance of ESOL Program Record Folders. A review of ESOL Program Record folders and pertinent forms will be completed during regular visits to the school by this Director to make certain information is accurate and complete. These forms will be reviewed with the Principal to ensure that all ELL records comply with the established procedures.

Inadequate Controls over Bookkeeping Function

The South Regional Center Administrative Director for Financial Business/Operations will meet with the Principal of Jorge Mas Canosa Middle School to review procedures to strengthen controls over disbursements and collection procedures. A mentor Treasurer will be assigned to Jorge Mas Canosa Middle School to provide training and support over the disbursement and collection procedures to ensure a proper understanding and awareness of established requirements.

The South Regional Center Administrative Director for Financial Business/Operations will request assistance from the Internal Funds Business Manager to continue to work with the Principal to ensure that Bank Reconciliations adhere to established procedures to guarantee that monies are collected and processed timely and transactions are properly documented. The Principal will review deposit packages with the South Regional Center Administrative Director for Financial/Business Operations during his regular visits to the school.

ROBERT MORGAN EDUCATIONAL CENTER

Money Market Transfer to Checking Account Untimely Processed Resulted in Checking Account Year-End Deficit (High School).

The South Regional Center Administrative Director for Financial Business/Operations will meet with the Principal bi-weekly to ensure that the bookkeeping functions are implemented properly. The Administrative Director will assign a mentor Treasurer and will request regular assistance from the Internal Funds Business Manager. During these bi-weekly visits, a review will be completed of transfers, deposits, collections, and Bank Reconciliations to ensure compliance with established procedures. Checking account monthly balances will be reviewed to ensure that funds are sufficient to cover disbursements.

Inadequate Controls over Yearbook Sales

The South Regional Center Administrative Director for Financial Business/Operations will request a thorough review of the yearbook procedures by the Principal and her staff to ensure that there is a complete understanding of the yearbook process. Documents related to the yearbook will be presented to this Director during bi-weekly visits, as applicable. The Director will further request proof of payment to the company to ensure that payment is made in a timely manner.

Inadequate Reporting and Documentation of Payroll (Adult Educational Center)

The South Regional Center Administrative Director for Financial Business/Operations will review payroll procedures with the Principal, Vice Principal and Assistant Principal to ensure that payroll is properly reported and documented to ensure the accuracy of the payroll.

To strength the supervision of the payroll function, the Regional Center Office is requesting that payroll be reviewed by the Assistant Principal, Vice Principal and the Principal. Until there is an acceptable level of comfort, the Region will request that the payroll be approved by the Principal. The South Regional Center Administrative Director for Financial Business/Operations will review the payroll bi-weekly with the Principal after it has been approved. Corrections will be made as necessary after this review. These actions will strengthen the supervision of payroll functions.

A Mentor Principal will be assigned to the Principal of Robert Morgan Educational Center to provide support with matters related to internal funds and the payroll.

PINECREST ELEMENTARY SCHOOL

Inadequate Controls Over The Bookkeeping Functions Disclosed Posting Delays And Other Discrepancies.

The South Regional Center Administrative Director for Financial Business/Operations will review with the Principal, procedures related to disbursements and deposits during regular visits to the school. Training opportunities will be provided for the new Treasurer to ensure that transactions are processed in a timely manner and in accordance with established procedures. A mentor Treasurer will be assigned to assist with the review of records and the processing of transactions.

FELIX VARELA SENIOR HIGH SCHOOL

School Non-Compliance with Certain Disbursement Guidelines.

The South Regional Center Administrative Director for Financial Business/Operations will continue monthly meetings with the Principal to ensure compliance with established procedures as it relates to obtaining the required number of quotes for individual purchases of more than \$1,000, but less than \$50,000. The Principal will present for review to the Director, all disbursement functions in excess of \$1,000 to ensure compliance with the bidding process, including certified minority companies. The Principal will be asked to meet regularly with the Internal Funds Business Manager, to ensure compliance with established procedures.

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

cc: Ms. Cynthia Gracia
Mr. Robert Kalinsky

MEMORANDUM

May 31, 2012
NPV/2011-2012/M266
305-995-3091

TO: Mr. Jose Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

FROM: Dr. Nikolai P. Vitt, Assistant Superintendent
Education Transformation Office

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF
HOMESTEAD SENIOR HIGH SCHOOL AND MIAMI CENTRAL SENIOR HIGH
SCHOOL FOR THE 2010-2011 SCHOOL YEAR

Please find attached the response to the internal funds audit for the 2010-2011 fiscal year for Homestead Senior High School and Miami Central Senior High School. The Education Transformation Office (ETO) has reviewed the audit exceptions cited. The following support activities will be implemented.

HOMESTEAD SENIOR HIGH SCHOOL

Improper Controls Over The Bookkeeping Function Led To Misappropriation Of Funds By The Former Treasurer

- 1.1 Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.
- 1.2 Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.
- 1.3 Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- 1.4 Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also direct the Treasurer to deposit funds in a timely manner.
- 1.5 Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.
- 1.6 Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.
- 1.7 Direct school staff to deliver the unopened bank statement to the Principal/Principal's designee.
- 1.8 Ensure that official forms used to record the school collections are properly safeguarded and accounted for in the inventory.
 - The Principal was directed to monitor the checkbook on a weekly basis and verify bank statements with the online information.
 - The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 2 and 4 of the Manual of Internal Fund Accounting, ensuring procedures for deposit and money collections are adhered and proper documentation is maintained.

Inadequate Controls Over Disbursements

- 2.1 Review the disbursement function with staff to ensure awareness and understanding of procedures, especially the requirement that prior approval is required before placing orders with vendors.
- 2.2 Direct the Treasurer to document the transactions and post in a timely manner.
- 2.3 Direct the Treasurer to issue checks to the name of the company and not a given individual.
- 2.4 Assign an administrator to oversee the disbursement function.
- 2.5 Devise a plan to reduce the outstanding liabilities.
- 2.6 Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, the timely postings of the charges to the appropriate accounts and the completeness of the disbursement documentation.
- 2.7 Ensure that services or products obtained from members of the staff are clearly documented and disclosed to prevent the appearance of a conflict of interest.
 - The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 and Section IV of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to disbursement of funds and accurate completion of checks and ancillary documents.
 - The Education Transformation Office Administrative Director, cooperatively with the Business Manager from the Office of Internal Fund Accounting and the Principal met to develop a plan to reduce the outstanding liabilities. Principal has been instructed to monitor and review all documents on a random basis and ensure discrepancies are immediately corrected.

Purchasing Credit Card (P-Card) Charges Not Compliant With Transaction Limits and Documentation Requirements

- 3.1 Review the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and strengthen the review over Disbursements made with the credit card to ensure compliance with District Policy.
- 3.2 Ensure P-Card Purchasing staff attends credit card training.
 - The Education Transformation Office Administrative Director instructed the Principal to thoroughly review with the Purchasing Clerk, Treasurer and Assistant Principal the Purchasing Credit Card Program Policies & Procedures Manual to ensure that procedures are followed as related to credit card transactions and required documents of and the acquisition of the required 3 bids to ensure compliance with district policy and procedures. These procedures will be randomly reviewed by the Education Transformation Office Administrative Director and the Internal Funds Business Manager.
 - The Education Transformation Office Administrative Director ensured that the Principal and the Treasurer attended the Purchasing Credit Card training and reviewed all procedures with the Purchasing Clerk and Assistant Principal.

Student Activity Non-Compliant with District Policy

4.1. Discontinue any fundraising activities that do not comply with the District Wellness policy. Also strengthen the review over fundraisers to ensure that they are appropriately conducted, and that the related financial activity comports with established guidelines.

- The Education Transformation Office Administrative Director convened a meeting with the Principal to review the District Wellness policy. The Principal was directed to strengthen review and monitoring of fundraising practices and procedures to ensure compliance with established guideline.

Miami Central Senior High School

Inadequate Oversight Over the Athletic Fund Resulted in Year-End Deficit

1.1 Discuss the guidelines with the Athletic Director, Athletic Business Manager and Treasurer to ensure their understanding of the expectations regarding the overall balance of the Athletic Fund.

1.2 Assign an administrator and/or the Athletic Business Manager to oversee Athletic Fund account balances and activity and to periodically meet with the treasurer to review account balances.

1.3 Ensure that the Athletic Funds holds sufficient funds prior to approving any related expenditure or signing a check.

1.4 Discontinue the practice of operating the Athletic Fund in the deficit.

1.5 Periodically review Athletic Fund accounts and balances, as well as commissions received from vending machines and other funding sources that may be utilized for athletic activities, and make any necessary transfers to prevent an overall Athletic Fund deficit. If funds are not sufficient to cover proposed expenditures, the school should adjust spending plans accordingly.

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* which establishes the procedures for internal fund purchases, making disbursements and maintaining proper accountability and documentation for audit purposes.
- The Education Transformation Office Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities associated with the school's athletic program.

Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances

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

- The Education Transformation Office Administrative Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program
- Results from the District's mini-reviews will be submitted to the Education Transformation Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.
- The affected Principal will be required to attend the FTE training when offered by the District.

The school's Principal will be required to participate in the mandatory District Money Matters Support Program during the 2012-2013 school year.

The Education Transformation Office will continue to work with the Principal to promote efficient fiscal practices. Should you have any questions, please contact me at (305) 995-3091.

cc: Dr. Janice Cruse-Sanchez
Ms. Martha Montiel
Ms. Cynthia Gracia
Ms. Cory Rodriguez
Ms. Rennina Turner

NVP:wc
M266

MEMORANDUM

June 5, 2012

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

FROM: Dr. Daniel Tosado, Assistant Superintendent *DT/dlv*
District/School Operations

**SUBJECT: DISTRICT/SCHOOL OPERATIONS-ADULT AND COMMUNITY
EDUCATION'S RESPONSE TO D.A. DORSEY EDUCATIONAL
CENTER'S AUDIT EXCEPTIONS FOR SCHOOL YEAR 2010-2011**

Attached is the response to the internal funds audit for the 2010-2011 fiscal year for D.A. Dorsey Educational Center. District/School Operations' staff has reviewed the exceptions cited in the audit report. The following actions will be implemented:

- The Principal will confer with the District/School Operations—Adult and Community Education staff to ensure compliance with all guidelines found in the Manual of Internal Fund Accounting to prevent further exceptions in the Internal Fund accounts by conducting monthly school site reviews.
- The District's Adult School Accounting Resource Specialists will conduct quarterly visits at the school site and use the Internal Fund School Visit Report – Secondary Schools, Adult & Vocational Centers (FM-5595) to report their findings. Particular attention will be provided to the areas that are cited with exceptions in the audit report.
- Effective immediately, the Principal will have the Treasurer hand-deliver all monthly financial reports to the District's Adult School Accounting Resource Specialists by the due date. At that time, the reports will be reviewed for completion and accuracy. Furthermore, the Principal will have the Bookstore and Pell Grant reconciled on a monthly basis and kept on file.
- The Principal will continue to participate in the District's mandatory Money Matters Support Program.

District/School Operations—Adult and Community Education will continue to provide assistance to the Principal to review records and ensure that all guidelines are being observed; therefore, promoting efficient fiscal practices.

Should you have any questions, please contact me at 305 995-7563.

DT:dlv

cc: Mr. Robert G. Gornito

MEMORANDUM

June 6, 2012

TO: Mr. Jose Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

SUBJECT: **DISTRICT/SCHOOL OPERATIONS' RESPONSE TO INTERNAL AUDIT FOR SCHOOLS IN NORTH CENTRAL, SOUTH CENTRAL AND SOUTH REGIONAL CENTERS AND DA DORSEY ED CENTER**

District/School Operations has reviewed the audit exceptions cited in the 2010-2011 fiscal year audit reports of the following 14 schools reporting to the North Central, South Central and South Regional Centers and to the Division of Adult and Community Education: Arcola Lake Elementary, Miami Springs Elementary, Norland Elementary, American Senior High, North Miami Beach Senior, John I. Smith K-8 Center, G. Holmes Braddock Senior High, Dr. Carlos J. Finlay Elementary, Law Enforcement Officers' Memorial High School, Pinecrest Elementary, Jorge Mas Canosa Middle, Felix Varela Senior High, Robert Morgan Educational Center and D.A. Dorsey Educational Center.

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds including: Bank Reconciliations, Deposits and Disbursements, Student Activities, and Operating Activities of adult education centers. Similar quarterly reviews in the areas of payroll, FTE and Community School procedures will take place.
- Discrepancies with the areas cited above will be investigated through the appropriate District/Regional Center office.
- District/School Operations will review and assess respectively administrators with repeated findings.
- District/School Operations will work collaboratively with Region Centers and facilitate appropriate training from District Offices in Bilingual Department and SPED Department and Internal Accounting and Payroll, respectively.
- District/School Operations will work cooperatively with the Region in providing assistance from the Office of Internal Fund Accounting, respectively. Furthermore, District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in these schools' audit responses.
- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures, as well as, appropriate maintenance of ESOL/SPED documentation to ensure documentation is proper and prevent potential funding disallowances.
- District/School Operations will work collaboratively with the corrective plan of action from Region and District administration to ensure that property issues undergoing relocation from one site to another are closely monitored and judiciously expedited.

District/School Operations will continue to work with principals to promote efficient fiscal practices. Should you have any questions, please contact me at (305) 995-2938.



FW

FW:cg
M204

cc: Dr. Daniel Tosado
Region Superintendents
Region Business Directors

MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) - Prohibits discrimination against employees or applicants because of genetic information.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 205.07 (Florida Statutes), which stipulate categorical preferences for employment.

In Addition:

School Board Policies 1362, 3362, 4362, and 5517 - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

Revised: (07-11)

MIAMI-DADE COUNTY PUBLIC SCHOOLS

INTERNAL AUDIT REPORT SELECTED SCHOOLS JUNE 2012



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>