

# Internal Audit Report

**Miami-Dade County Public Schools  
Office of Management and Compliance  
Audits**



**FOLLOW-UP AUDIT OF INTERNAL  
CONTROLS OVER M-DCPS PURCHASING  
CARD PROGRAM (P-CARD) FOR NON-  
SCHOOL SITE LOCATIONS**



Management has taken corrective actions in addressing most of the audit recommendations presented by us and the Auditor General with only two of the 21 recommendations not being fully implemented; and should implement the outstanding recommendations to further strengthen internal control over the program.

May 2017

---

---

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

Dr. Lawrence S. Feldman, Chair  
Dr. Marta Pérez, Vice Chair  
Dr. Dorothy Bendross-Mindingall  
Ms. Susie V. Castillo  
Dr. Steve Gallon, III  
Ms. Perla Tabares Hantman  
Dr. Martin Karp  
Ms. Lubby Navarro  
Ms. Mari Tere Rojas

**Superintendent of Schools**

Mr. Alberto M. Carvalho

**Office of Management and Compliance Audits**

Mr. José F. Montes de Oca, CPA  
Chief Auditor

**Contributors to this report:**

Audit Performed by:

Mr. Michael A. Hernández, CPA  
Ms. Teresita M. Rodriguez, CPA

Audit Supervised by:

Ms. Teresita M. Rodriguez, CPA

Audit Reviewed by:

Mr. Trevor L. Williams, CPA  
Mr. Jon Goodman, CPA, CFE





# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**

Alberto M. Carvalho

**Chief Auditor**

José F. Montes de Oca, CPA

**Miami-Dade County School Board**

Dr. Lawrence S. Feldman, Chair

Dr. Marta Pérez, Vice Chair

Dr. Dorothy Bendross-Mindingall

Susie V. Castillo

Dr. Steve Gallon III

Perla Tabares Hantman

Dr. Martin Karp

Lubby Navarro

Mari Tere Rojas

April 25, 2017

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

Ladies and Gentlemen:

In accordance with the approved Audit Plan for FY 2016-17, we have performed a follow-up audit of the actions taken by management to implement the recommendations included in our prior internal audit report, *Internal Controls Over M-DCPS Purchasing Card Program (P-card) for Non-School Site Locations*, issued June 2012. Our audit also included following up on prior audit recommendations made by the Florida Auditor General (AG) related to the District's Purchasing Card Program.

The objective of this follow-up audit was to determine the progress and extent of the implementation of management's plan of action addressing all outstanding audit recommendations relative to the District's P-card program.

We are pleased to report that management has taken corrective actions in addressing most of the audit recommendations presented by this office and the AG with only two of the 21 recommendations not being fully implemented. The corrective actions implemented by management strengthen internal control over the P-card program. To further strengthen internal control over the program, we recommend that management completes actions to implement any outstanding prior audit recommendations not fully implemented. We will continue to monitor the actions of management to ensure that all recommendations are fully implemented.

We thank management for the courtesies extended to our auditors during this follow-up audit.

Sincerely,

José F. Montes de Oca, CPA  
Chief Auditor



**TABLE OF CONTENTS**

**EXECUTIVE SUMMARY AND CONCLUSIONS ----- 1**

**BACKGROUND----- 3**

**OBJECTIVE, SCOPE, AND METHODOLOGY ----- 3**

**TERMS USED TO DESCRIBE THE CURRENT STATUS  
OF RECOMMENDATIONS ----- 4**

**APPENDIXES:**

**A – Follow-up: Internal Controls Over M-DCPS Purchasing Card  
Program (P-card) for Non-School Site Locations Prior Audit  
Findings, Recommendations, and Current Status----- 5**

**B – Follow-up: State of Florida Auditor General Operational Audit Report  
No. 2015-089 (January 2015) Miami-Dade County District  
School Board Prior Audit Findings, Recommendations, and  
Current Status Related to the District’s Purchasing Card Program ----- 17**

**C – Follow-up: State of Florida Auditor General Operational Audit Report  
No. 2017-196 (April 2017) Miami-Dade County District  
School Board Prior Audit Findings, Recommendations, and  
Current Status Related to the District’s Purchasing Card Program ----- 24**

## **EXECUTIVE SUMMARY AND CONCLUSIONS**

### ***Why we did this audit...***

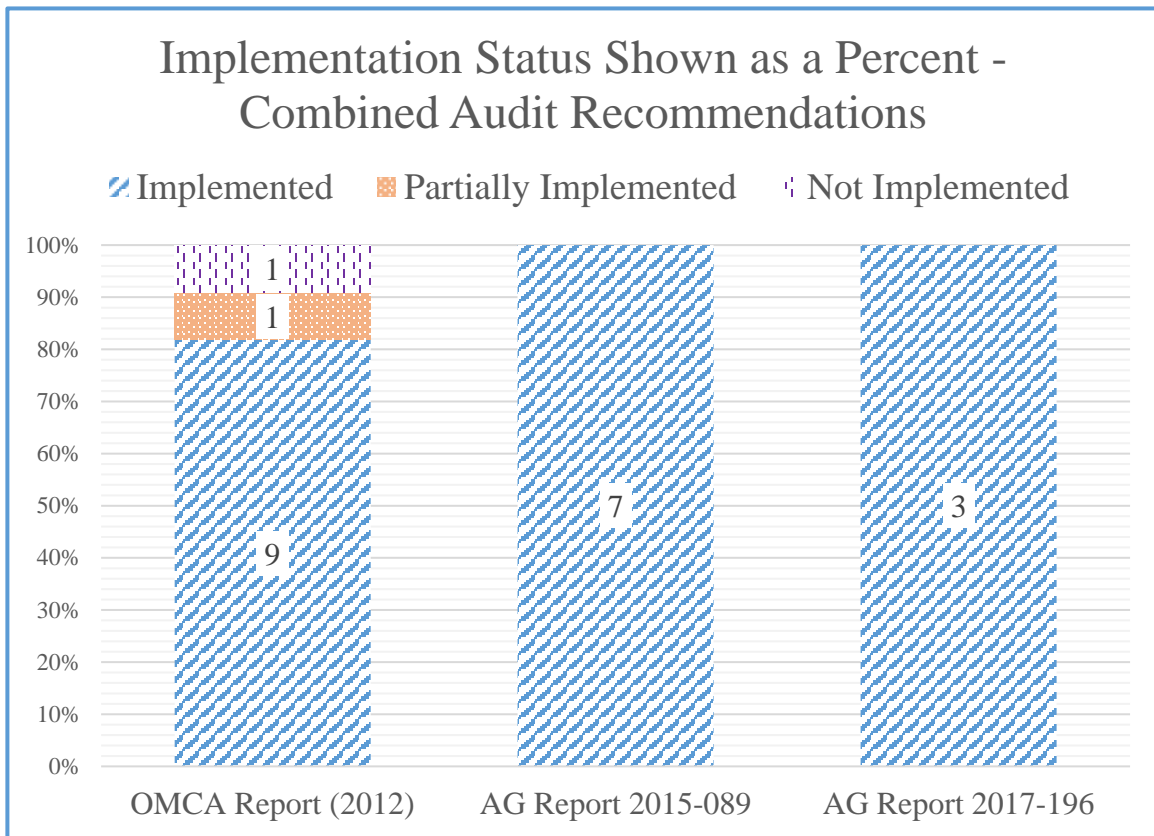
This report follows up on the implementation status of the audit recommendations presented to management related to the District's Purchasing Card Program. Our prior audit report, *Internal Controls Over M-DCPS Purchasing Card Program (P-card) for Non-School Site Locations*, issued June 2012, contained 11 recommendations to improve internal controls over the program. Management generally agreed with the recommendations and provided a plan of corrective actions to address the conditions noted in the audit findings.

In performing our follow-up audit, we also applied auditing procedures to assess the implementation status of the audit recommendations issued by the Florida Auditor General (AG), pertaining to the District's Purchasing Card Program, after the issuance of our initial report. This entailed following up on audit recommendations from two separate reports published by the AG — *Miami-Dade County District School Board Operational Audit Report No. 2015-089 (January 2015)* and *Miami-Dade County District School Board Operational Audit Report No. 2017-196 (April 2017)*. Our review of the audit findings pertaining to the P-card program contained in these two AG reports revealed that many of the conditions reported by the AG were also reported by us, previously. Our auditing fieldwork for this follow-up audit was near completion when the AG issued its Report No. 2017-196.

### ***What we found...***

We are pleased to report that the P-card Section management has taken corrective actions in addressing most of the audit recommendations presented by us and the AG. Based upon the audit procedures we performed during this audit follow-up, we have concluded that of the combined recommendations made by us and the AG, management has implemented 19, partially implemented one (1), and not implemented one (1).

The following chart shows the current status of the recommendations by issuers.



The details of the corrective actions management has taken and the auditor’s assessment of the status of the recommendations are presented in Appendixes A, B, and C.

***What we recommend...***

We recommend that management completes actions to implement the prior audit recommendations not fully implemented. We will further monitor the actions of management to ensure that all recommendations are fully implemented.

## **BACKGROUND**

Miami-Dade County Public Schools' Purchasing Card Program was developed in 1997 to enable district staff to make small dollar purchases and to provide a means of simplifying the traditional procurement process. School Board Policy 6424 – *Purchasing Cards*, provides that “cards shall only be used for purchases in connection with Board-approved or school-related activities that benefit the District and serve a valid and proper public purpose.” Currently, P-cards are issued by JPMorgan. As of June 30, 2016, there were approximately 460 active P-cards issued.

The overall administration of the P-card program is assigned to the P-card Section of Accounts Payable, within the Office of the Controller. All P-cards have a variety of controls in place that consist of, but not limited to, a single transaction limit, daily spending limit, and number of daily transactions and monthly spending limits.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

The objective of this follow-up audit was to determine the progress and extent of the implementation of management's plan of action addressing the 11 recommendations in our original audit report. Our audit also included following up on prior audit recommendations made by the Florida Auditor General related to the District's Purchasing Card Program. The audit covered actions by management subsequent to the issuance of our original audit report.

We performed the following procedures to satisfy our objective:

- Interviewed district staff;
- Reviewed the M-DCPS' Purchasing Card Program Policies and Procedures Manual, the Purchasing Card/SUA Process procedures, and P-card training material;
- Reviewed the agreement with JP Morgan;
- Examined, on a sample basis, various reports and other documents; and
- Performed various other procedures deemed necessary.

We conducted this performance audit follow-up in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States of America. 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. This performance audit follow-up is intended to provide a current status on prior audit findings and recommendations. We believe the evidence obtained and reviewed provides a reasonable basis for our conclusions on the status of prior audit findings and recommendations.



## **TERMS USED TO DESCRIBE THE CURRENT STATUS OF RECOMMENDATIONS**

***Implemented*** – Indicates that management has acted upon the auditors’ recommendation to satisfaction. The action taken may have included the specific recommendation or alternate action that satisfactorily addressed the condition(s) noted in the audit finding.

***Partially Implemented*** – Indicates that management has implemented some aspects of the auditors’ recommendation or an alternate solution to some of the condition(s) noted in the audit finding but has not acted upon all aspects of the auditors’ recommendation.

***Not implemented*** – Indicates that management has not acted upon the auditors’ recommendation to satisfaction.

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**




**Finding No. 1: Limited Written Procedures for P-card Administration**

<p><b><u>Summary of Finding:</u></b></p> <p>The P-card Manual is absent of written policies and procedures of the P-card Section operation and is largely targeted towards the cardholder, Work Location P-card Administrators, and staff.</p>	<p><b><u>Summary of Recommendation:</u></b></p> <p>The P-card Section should develop an internal policy and procedures manual for the M-DCPS P-card Section to include the roles and responsibilities of the department.</p>	<p><b><u>Summary of Corrective Action Planned or Taken:</u></b></p> <p>The P-card Section indicated that an internal “Process Step” document had been developed, describing the steps involved in the administration of the P-card Program as well as the roles and responsibilities of the office staff.</p>	<p><b><u>Current Status:</u></b></p> <p><i>Implemented</i> – A P-card Manual has been developed and includes the roles and responsibilities of each member of the P-card administration staff as well as detail instructions for the tasks each staff member performs.</p>
--	--	---	--

**Finding No. 2: Review of Cardholders Employment Status**

<p><b><u>Summary of Finding:</u></b></p> <p>Some terminated employee’s P-card account was not deactivated timely and a few instances of card charges occurred after the employee’s termination date.</p>	<p><b><u>Summary of Recommendation:</u></b></p> <ul style="list-style-type: none"> <li>The P-card Section should ensure that ITS completes the development of the application that will enable the P-card Section to generate reports that capture</li> </ul>	<p><b><u>Summary of Corrective Action Planned or Taken:</u></b></p> <p>The Accounts Payable Administration (P-card Section) stated that they worked with ITS to produce reports based on the SAP Objects on Loan database</p>	<p><b><u>Current Status:</u></b></p> <p><i>Implemented</i> – Reports as indicated by the Administration were provided to and reviewed by OMCA and were deemed satisfactory.</p>
--	---	---	---

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	<p>employment status changes as they occur.</p> <p align="center"></p> <ul style="list-style-type: none"> <li>Using the referenced generated reports, the P-card Section should track cardholders change of employment status and</li> </ul>	<p>which will notify the department of:</p> <ul style="list-style-type: none"> <li>Employees assigned a Purchasing Card whose employment status changed (daily)</li> <li>Employees whose Object on Loan number entered in the database is not valid (daily)</li> <li>Employees whose Object on Loan number location is different than their current assignment location (daily)</li> <li>Administrators whose status has changed (weekly)</li> </ul> <p align="center"></p>	<p align="center"></p> <p><b>Implemented –</b> Our review of recent daily and weekly reports indicate that management is monitoring the changes of</p>
--	---	--	---

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	determine whether cardholders are eligible to maintain their P-card account.	eligible to maintain their P-card. If they are not, the department notifies the location as to the status of the account being closed and any pending transactions needing resolution.	cardholder’s employment status and taking appropriate action when needed.
--	--	--	---

**Finding No. 3: Reasonableness of P-card Credit Limits**

<b><u>Summary of Finding:</u></b>  No annual review of P-cards use or credit limit is performed by the P-card Section, which results in a misalignment between credit limits and the level of P-card usage.	<b><u>Summary of Recommendation:</u></b>  The P-card Section should annually assess the cardholders credit limits, identifying the possible need for adjustment based on P-card account use. The P-card Section should consider eliminating P-cards not used since the time of issuance or used limitedly; however, these decisions should be made by the Work Location P-card Administrator.	<b><u>Summary of Corrective Action Planned or Taken:</u></b>  The P-card Section stated that schools and departments are provided with a purchasing credit card to facilitate the purchases of small dollar items. The District’s Policy since November 2010 requires all purchases less than \$3,000 to be made via the P-card. Limits are established based on whether the worksite is an Elementary, Middle, High School, Vocational or a Department.	<b><u>Current Status:</u></b>  <i>Partially Implemented</i> – An analysis of appropriate credit limit was conducted in 2014. During our audit fieldwork, the P-card Section began a review for the 2017 cycle. Also, there was evidence to indicate that the reviews resulted in some accounts being closed. According to the P-card Administration, a review was also done for 2015; however, no evidence was provided to
---	---	--	--

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

		<p>According to Accounts Payable (P-card Section), they will continue to review, on an annual basis account profiles to ensure location limits do not exceed standard established limits. Additionally, Accounts Payable (P-card Section) will continue to perform a review of credit card accounts to identify cardholders with no activity. The 2014 review resulted in the closure of six accounts. The 2017 review, which is still in progress has resulted in the closure of three accounts so far.</p>	<p>support the performance of this review.</p> <p>Also, documents reviewed state that beginning in October 2016, the bankcard company implemented a policy to close inactive P-card accounts under certain conditions. In addition, the Purchasing Card Program Policies and Procedures Manual now includes the periodic review of the number of cardholders and usage.</p>
--	--	--	---

**Finding No. 4: Internal Controls Over P-card Transactions**

<p><b><u>Summary of Finding:</u></b></p> <p>We reviewed 1,808 P-card transactions amounting to \$572,480 from 15 non-school site locations and found many</p>	<p><b><u>Summary of Recommendation:</u></b></p> <ul style="list-style-type: none"> <li>To promote proper spending and awareness of P-card policies, we recommend requiring training for all</li> </ul>	<p><b><u>Summary of Corrective Action Planned or Taken:</u></b></p> <p>Accounts Payable (P-card Section) stated that they provide training on a monthly basis to all new card holders as</p>	<p><b><u>Current Status:</u></b></p> <p><i>Implemented</i> – Training attendance is properly documented. Training material includes</p>
---	--	--	---

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

<p>instances of non-compliance with procedures, including inadequate or lack of documentation to support P-card charges.</p>	<p>new cardholders, approving administrators, and individuals responsible for the P-card reconciliations. Also, once initial training is received, cardholders should attend refresher training every two years. All training should be documented and kept on file at the P-card Section.</p>	<p>well as the individuals assigned to reconcile the statements and their back-ups. As applications for new cards are submitted, Accounts Payable determines if the individual has attended a training session in the past. Accounts Payable does not release the purchasing card to the card holder unless they have gone through the training process.</p> <p>For those attending the training session held at ITS, a copy of the sign-in roster indicating their attendance is provided to the P-card Department. Those who are not able to attend a training session at the ITS facility are given an individual session conducted by the P-card department staff, who acknowledge their training by signing a form.</p>	<p>pertinent policies and procedures from the manual.</p> <p>The P-card Administration does not require refresher training. Alternatively, the P-card Administration offers on-going training to all cardholders and publishes notices of changes and updates in the P-card program, including procedures, whenever changes occur.</p>
--	--	--	--

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

<ul style="list-style-type: none"> <li>The P-card Section should develop a checklist that includes P-card procedures considered essential internal controls. It should target potential abuse and non-compliance with P-card procedures.</li> </ul>	<p>In lieu of a checklist, the current Purchasing Card Policy and Procedures Manual (Manual) was enhanced to address in detail all of the processes a school or department must follow when using the P-card to ensure adequate internal controls. The Manual is specific as to the documentation that should be maintained at the worksite for audit purpose, security and safekeeping of the P-card, timely cancellation, reporting of lost or stolen cards, purchasing card limitations and restrictions as well as other key points. This manual is updated to capture new processes as needed. Additionally, Accounts Payable developed an internal “Process Step” that addresses the roles and responsibilities of the P-card administration staff as well as detailed instructions for the tasks that each member performs. The combination of</p>	<p><b>Not implemented</b> – Rather than developing the recommended compliance checklist, the P-card Section has alternatively agreed to begin “spot-checking” selected P-card reconciliation packages, prospectively, to identify instances of non-compliance with P-card procedures, including disallowed purchases. When implemented, the proposed action should strengthen internal controls. We will monitor its implementation in the future.</p>
---	---	--

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**




		<p>these two manuals represent a comprehensive guide for both the users as well as the administrators of the P-card program.</p> <p>As an additional step to monitor P-card purchases, Accounts Payable will “spot-check” selected P-card transactions and to promote awareness of any changes that may occur pertaining to the P-card processes, the Office of Procurement Management will continue to work with Accounts Payable in coordinating and publishing Weekly Briefings of said changes.</p> <p>Accounts Payable does not have the ability to perform the audit function and relies on the Office of Management and Compliance Audits to ensure that worksites are complying</p>	
--	--	---	--



**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	with the District’s established Policies.	
<b>Finding No. 5: P-card Reconciliation and Posting Delays</b>		
<p><b><u>Summary of Finding:</u></b></p> <p>The P-card reconciliation and posting to the general ledger were not always done on a timely basis.</p>	<p><b><u>Summary of Recommendation:</u></b></p> <ul style="list-style-type: none"> <li>The P-card Section should consider blocking P-card accounts that have not submitted the monthly reconciliations after a pre-determined grace period.</li> </ul>	<p><b><u>Summary of Corrective Action Planned or Taken:</u></b></p> <p>Accounts Payable (P-card Section) stated they have established a process of blocking P-card accounts of cardholders that have not submitted the monthly reconciliation within 30 days. The department uses a spreadsheet daily to track the progress of each locations reconciliation. Notifications are sent out for any past due accounts and the department works with the administrators ensuring the reconciliation is completed.</p> <p>The process has resulted in all P-cards accounts being</p>
		<p><b><u>Current Status:</u></b></p> <p><b><i>Implemented</i></b> – Our review of monthly worksheets provided by the P-card Section confirms that the department is effectively monitoring cardholder reconciliations.</p>

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	 <ul style="list-style-type: none"> <li>A timeline for reviewing and approving submitted reconciliations for the P-card Section should be established.</li> </ul>	<p>reconciled prior to the 30<sup>th</sup> of the month for approximately the last 3 years.</p>  <p>P-card Section stated that the above referenced process for reviewing and approving submitted reconciliations has resulted in all P-cards accounts being reconciled prior to the 30<sup>th</sup> of the month for approximately the last 3 years.</p>	 <p><b>Implemented –</b> Our review of monthly worksheets provided by the P-card Section verified that the department is effectively monitoring cardholder reconciliations.</p>
--	--	--	--

**Finding No. 6: Payments to Bankcard Company Not Timely**

<p><b><u>Summary of Finding:</u></b></p> <p>Payments to the bankcard company were not made on a timely basis.</p>	<p><b><u>Summary of Recommendation:</u></b></p> <p>The action taken by the P-card Section to make automatic payments to the new bankcard company should ensure timely payments. The department</p>	<p><b><u>Summary of Corrective Action Planned or Taken:</u></b></p> <p>The P-card Section stated that as part of the implementation of the P-card program with JP Morgan in November 2011, the District authorized JP Morgan</p>	<p><b><u>Current Status:</u></b></p> <p><b>Implemented –</b> A review of several monthly payments disclosed timely payments to JP Morgan. Also, the agreement with JP</p>
---	--	--	---




**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	<p>should ensure that the automatic bill payment agreement remain in force as long as the terms are financially beneficial to the District.</p>	<p>to automatically debit the Districts Account. As JP Morgan initiates the payment on the mutually agreed payment date, the payments are automatically always on time.</p>	<p>Morgan includes the use of automatic debit to qualify for the rebate incentives.</p>
--	---	---	---

**Finding No. 7: Incompatible Duties Are Performed by Same Individual**

<p><u><b>Summary of Finding:</b></u></p> <p>During our visit of non-school site locations, we found instances where the same individual dominated the P-card purchasing process, beginning with the ordering function through reconciling the monthly P-card statement. Also, the duties of an employee in the P-card Section included processing new P-card application, which included establishing new accounts with the bank and receiving and distributing new cards.</p>	<p><u><b>Summary of Recommendation:</b></u></p> <ul style="list-style-type: none"> <li>• Certain control activities, such as segregation of duties, verification of receipt of goods or services, and proper and timely reconciliation, should be amplified in the Purchasing Card Program Policies and Procedures Manual and P-card training.</li> </ul>	<p><u><b>Summary of Corrective Action Planned or Taken:</b></u></p> <p>The P-card Section indicated that they have updated the Purchasing Card Policy and Procedure Manual to amplify the segregation of duties as well as receipt of goods in Section F on page 14. The same manual was also updated to amplify the proper and timely reconciliation process in Section B on page 18.</p>	<p><u><b>Current Status:</b></u></p> <p><b>Implemented –</b> We verified that the Policies and Procedures manual contains information on the need to establish internal controls when placing orders, receiving merchandise, and other internal controls. In addition, the P-card training agenda mentions similar internal control activities, including prohibiting staff from performing certain incompatible functions.</p>
--	---	--	---

**APPENDIX A – Follow-up: Internal Controls Over M-DCPS Purchasing Card Program (P-card)  
for Non-School Site Locations  
Prior Audit Findings, Recommendations, and Current Status**

	 <ul style="list-style-type: none"> <li>The P-card Section employee who establishes new or renewed P-card accounts should verify that each P-card received agrees with the cardholder current standing with M-DCPS. Also, this employee should not be involved in establishing the P-card account.</li> </ul>	 <p>The P-card Section has stated that, “a process has been established as documented on page 25 of the departments Purchasing Card/SUA Process Step document where once the cards arrive in Accounts Payable, the front desk staff person will give the cards to an Accounts Payable Staff Assistant not involved in the P-card process. The Staff Assistant opens the UPS box and pulls out the individual seal envelopes containing the cards. The individual seal envelopes are then handed to the Fiscal Assistant III assigned to the P-card team who updates our spreadsheet with the account information. The cards are then given to the Coordinator who verifies if the cardholder is required to go to training or if not, coordinates how the card</p>	 <p><b>Implemented –</b> The P-card Manual has been revised to include the separation of credit card creation duties from the receipt of new credit cards.</p>
--	--	---	---



**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

**Finding No. 3: Purchasing Card and E-Payables Program Rebates**





<u>Summary of Finding:</u>	<u>Summary of Recommendation:</u>	<u>Summary of Corrective Action Planned or Taken:</u>	<u>Current Status:</u>
<p>Rebates related to P-card and e-Payable payments from restricted Federal and State moneys were not allocated and returned to the funds from which the P-cards and e-Payables payments were made but was recognized as revenue in the General Fund for operating purposes.</p>	<p>The District should consult with the appropriate Federal cognizant agency and the FDOE for resolution on the use and allocation of rebates received on P-card purchases and e-Payables payments.</p>	<p>The District administration stated that they currently follow the Florida Department of Education’s published guidance on rebates by allocating the rebated amount to the applicable programs.</p>	<p>The Auditor General, in their subsequent Report 2017-196, indicated that the District had taken corrective actions for this finding included in their Report No. 2015-089.</p>

**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

**Finding No. 6: Purchasing Card Program**





<u>Summary of Finding:</u>	<u>Summary of Recommendation:</u>	<u>Summary of Corrective Action Planned or Taken:</u>	<u>Current Status:</u>
<ul style="list-style-type: none"> <li>• Sixty-eight percent (68%) of the purchases tested were requested and approved by the worksite administrators without independent supervisory review and approval.</li> </ul>	<ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to ensure supervisory review and approval of purchases by worksite administrators.</li> </ul>	<ul style="list-style-type: none"> <li>• The District administration contends that before a purchase is made using the P-card, authorization and approval must be granted by the worksite administrator, who is solely responsible for administering the location’s budget and approving the location’s purchases, including those made through the purchasing card. They assert that the process is in alignment with established District approval levels in Board Policy 6320 and administrative procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Implemented</b>– The Auditor General, in their subsequent Report 2017-196, cited the same condition as reported in their Report No. 2015-089. We followed up with the administration on this finding and they indicated to us that the P-card authorization form is undergoing revisions to require the name and signature of the requester of goods and the approver, who must each be different individuals. We verified the revisions to the form and its</li> </ul>

**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**









<p align="center"></p> <ul style="list-style-type: none"> <li>• P-card purchases exceeded the limits established by the P-card Manual for the dollar amount of single, daily, and monthly purchases and the total number of daily transactions; and were split which effectively circumvented controls prohibiting split-purchases, contrary to Board Policy and the P-card Manual.</li> </ul>	<p align="center"></p> <ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to ensure compliance with established card limits without splitting purchases to circumvent the limits.</li> </ul>	<p align="center"></p> <ul style="list-style-type: none"> <li>• The District implemented the use of a Limit Increase Request Form (Form 7476) that provides flexibility for a location to request limit increases subject to budget availability or specific needs, with the proper approvals. The P-card Manual was enhanced to be more descriptive of the actual process and to further clarify instances where higher limits are required. The District</li> </ul>	<p>deployment for use. Instructions on the new process were also added to the training material, which we also verified.</p> <p align="center"></p> <ul style="list-style-type: none"> <li>• The Auditor General, in their subsequent Report 2017-196, indicated that the District had taken corrective actions for this finding included in their Report No. 2015-089.</li> </ul>
---	---	--	---



**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

 <ul style="list-style-type: none"> <li>• P-card purchases that were contrary to the authorized use of the P-card were made.</li> </ul>	 <ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to ensure P-card use for only purposes authorized in the Manual.</li> </ul>	<p>also added language to reinforce the District’s Policy against splitting purchases to circumvent limits.</p>  <ul style="list-style-type: none"> <li>• District administrators stated they enhanced the P-card Manual to include items that are not allowed to be purchased with the P-card and communicated significant changes in the P-card process to the Departments.</li> </ul>	 <ul style="list-style-type: none"> <li>• The Auditor General, in their subsequent Report 2017-196, cited the same condition as reported in their Report No. 2015-089. In response to this repeated condition, District administration indicated that they would continue providing monthly training on the proper use of the P-card and briefings on significant changes in the P-card process. We followed up with the administration on this finding and the P-card Manual has been</li> </ul>
--	--	---	--





**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

 <ul style="list-style-type: none"> <li>• Several P-card purchases were not made pursuant to competitive bids although, in the aggregate, the amounts paid exceeded the competitive bid threshold for the same or related items and District records did not evidence the basis for not obtaining competitive bids.</li> </ul> 	 <ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to ensure compliance with competitive bidding requirements where applicable.</li> </ul> 	 <ul style="list-style-type: none"> <li>• Language pertaining to School Board Policy 6320 regarding competitive procurement was added to the P-card Manual. In addition, the Accounts Payable Department provides the Office of Procurement Management a file of P-card transactions by vendor on a monthly basis.</li> </ul> 	<p>revised to include added categories of prohibited transactions. The training material has similarly been revised.</p>  <ul style="list-style-type: none"> <li>• The Auditor General, in their subsequent Report 2017-196, indicated that the District had taken corrective actions for this finding included in their Report No. 2015-089.</li> </ul> 
---	--	--	---

**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

<ul style="list-style-type: none"> <li>The P-cards of six (6) former employees were untimely canceled from six (6) to 60 days after their employment termination.</li> </ul>	<ul style="list-style-type: none"> <li>The District should enhance P-card procedures to ensure timely cancellation of terminated employees’ P-cards.</li> </ul>	<ul style="list-style-type: none"> <li>Accounts Payable worked with ITS to produce reports based on the SAP Objects on Loan database which will notify the department of: <ul style="list-style-type: none"> <li>Employees assigned a P-card whose “Separated from District” or “Leave of Absence” status has changed (daily)</li> <li>Employees whose Object on Loan number entered in the database is not valid (daily)</li> <li>Employees whose Object on Loan number location is different than their current assignment location (daily)</li> <li>Administrators whose status has changed (weekly)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The Auditor General, in their subsequent Report 2017-196, cited the same condition as reported in their Report No. 2015-089. In response to this repeated condition, District administration indicated that they have modified existing reports to identify status changes (i.e., termination, leave, change of work location, etc.) of all employees who have been assigned a P-card. We followed up with the administration on this finding and they indicated to us that in addition to modifying the existing reports as indicated, an additional report, intended to identify all P-card-holding employees, regardless of their collective bargaining unit, whose employment status or assignment has</li> </ul>
--	---	--	--

**APPENDIX B – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2015-089 (January 2015)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**









 <ul style="list-style-type: none"> <li>The P-card Manual did not require periodic evaluations of card limits and use, and there was no evidence of such evaluation being performed.</li> </ul>	 <ul style="list-style-type: none"> <li>The District should enhance P-card procedures to ensure documented periodic evaluations of P-card limits and use are performed to ensure the program is operating consistent with the Manual requirements.</li> </ul>	 <ul style="list-style-type: none"> <li>The Policies and Procedures Manual was enhanced to add a periodic review process of the P-card usage and limits.</li> </ul>	<p>changed, has been developed. We obtained and reviewed the reports that were developed, and found them to be satisfactory.</p>  <ul style="list-style-type: none"> <li>The Auditor General, in their subsequent Report 2017-196, indicated that the District had taken corrective actions for this finding included in their Report No. 2015-089.</li> </ul>
--	--	--	---

**APPENDIX C – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2017-196 (April 2017)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

**Finding No. 6: Purchasing Card Program**

<u>Summary of Finding:</u>	<u>Summary of Recommendation:</u>	<u>Summary of Corrective Action Planned or Taken:</u>	<u>Current Status:</u>
<ul style="list-style-type: none"> <li>Ninety-one percent (91%) of the purchases tested were requested and approved by the worksite administrators without independent supervisory review and approval.</li> </ul>	<ul style="list-style-type: none"> <li>The District should enhance P-card procedures to require independent supervisory review and approval of worksite administrator purchases be documented and maintained.</li> </ul>	<ul style="list-style-type: none"> <li>The District administration indicated that the worksite administrator is responsible for the administration of their location’s budget and purchases that are within the thresholds established by District administrative procedures and that the Purchasing Card Authorization form (FM-5707) will be enhanced to require both the name and signature of the requester of the goods and the approver.</li> </ul>	<ul style="list-style-type: none"> <li><b>Implemented</b> – We followed up with the administration on this finding and they indicated to us that the P-card authorization form is undergoing revisions to require the name and signature of the requester of goods and the approver, who must each be different individuals. We verified the revisions to the form and its deployment for use. Instructions on the new process were also added to the training material, which we also verified.</li> </ul>

**APPENDIX C – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2017-196 (April 2017)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• P-card purchases executed were not allowed according to the P-card Manual.</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to effectively restrict P-card use to the purposes authorized in the Manual. Such procedures should promote additional care by supervisors who review and approve P-card charges to ensure the charges comply with Manual requirements.</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• District administrators stated they will continue to provide monthly training sessions on the proper use of the P-card in addition to briefings noting revisions or updates to the purchasing credit card program.</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• <b>Implemented</b> – We followed up with the administration on this finding and noted that the training material has been revised, specifically to address prohibited transactions. Similarly, the P-card Manual has been revised to include added categories of prohibited transactions.</li> </ul>
<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• The P-cards of nine (9) former employees were not canceled until six (6) to 271 days, or an average of 76 days, after the individuals separated from District employment.</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• The District should enhance P-card procedures to ensure that P-card privileges are promptly canceled upon a cardholder’s separation from District employment.</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• District administration indicated that they have modified existing reports to identify status changes (i.e., termination, leave, change of work location, etc.) of all employees who</li> </ul>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> <li>• <b>Implemented</b> – We followed up with the administration on this finding and they indicated to us that in addition to modifying the existing reports as indicated, an</li> </ul>

**APPENDIX C – Follow-up: State of Florida Auditor General  
Operational Audit Report No. 2017-196 (April 2017)  
Miami-Dade County District School Board  
Prior Audit Findings, Recommendations, and Current Status Related to the District’s  
Purchasing Card Program**

		<p>have been assigned a P-card, which will enable them to ensure timely cancellation of the P-card.</p>	<p>additional report, intended to identify all P-card-holding employees, regardless of their collective bargaining unit, whose employment status or assignment has changed, has been developed. We obtained and reviewed the reports that were developed and found them to be satisfactory.</p>
--	--	---	---





## Anti-Discrimination Policy

### Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

**Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA)** - prohibits discrimination against employees or applicants because of genetic information.

**Boy Scouts of America Equal Access Act of 2002** – no public school shall deny equal access to, or a fair opportunity for groups to meet on school premises or in school facilities before or after school hours, or discriminate against any group officially affiliated with Boy Scouts of America or any other youth or community group listed in Title 36 (as a patriotic society).

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

#### **In Addition:**

**School Board Policies 1362, 3362, 4362, and 5517** - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

---

---

## **INTERNAL AUDIT REPORT**

### **Follow-Up Audit of Internal Controls Over M-DCPS Purchasing Card Program (P-card) For Non-School Site Locations**



**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
Office of Management and Compliance Audits**

**1450 N.E. 2<sup>nd</sup> Avenue, Room 415**

**Miami, Florida 33132**

Telephone: (305)995-1318 ♦ Fax: (305)995-1331

<http://mca.dadeschools.net>

---

---