



Miami-Dade County Public Schools

Internal Audit Report

Selected Schools/Centers

*The Financial Statements
Were Fairly Stated
For All 45 Schools/Centers
In This Report.*

*At Two Schools/Centers,
Controls Over The Safeguarding
Of Collections
Need Improvement.*

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

September 2017

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Dr. Marta Pérez, Vice Chair
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Ms. Susie V. Castillo
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Mr. Alberto M. Carvalho
Superintendent of Schools

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Chief Auditor
Office of Management and Compliance Audits

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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Alberto M. Carvalho

Chief Auditor

Jose F. Montes de Oca, CPA

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Mari Tere Rojas

September 28, 2017

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

Ladies and Gentlemen:

This report includes the audit results of 45 schools/centers currently reporting to the North Region Office, the Central Region Office, the South Region Office or the Office of Adult/Vocational, Alternative and Community Education within School Operations. The audit period of 34 of the 45 schools/centers is two fiscal years ended June 30, 2017, while the audit period of the remaining 11 schools/centers is one fiscal year ended June 30, 2017. At 17 schools/centers, there was a change of Principal since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets were properly safeguarded. The audits included a review of internal funds at all 45 schools/centers. On a selected basis, we reviewed Title I Program procedures and Full-Time Equivalent (FTE) reporting and student records. Generally as part of audit follow-ups, we reviewed payroll, the Purchasing Card program, and certain aspects of school site data security. The audits also included the results of property inventories of all schools/centers reported herein.

Audit results proved satisfactory at 43 of the 45 schools/centers reported herein, and property inventory results for all schools/centers were satisfactory. Notwithstanding the individual school findings included in this report, the financial statements of all 45 schools/centers reported herein were fairly stated. At two schools/centers, we found improper controls over the receipting and depositing of funds and the safeguarding of deposits. These issues resulted in monetary losses at both schools.

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

Sincerely,

Jose F. Montes de Oca, CPA

Chief Auditor

Office of Management and Compliance Audits

JFM:mtg

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 45 schools/centers. These include 25 that report to the North Region Office, ten that report to the Central Region Office, seven that report to the South Region Office; and one adult education center and two alternative education centers that report to the Office of Adult/Vocational, Alternative and Community Education within School Operations. For 34 of the 45 schools/centers reported herein, the scope of the audit was two fiscal years ended June 30, 2017. For the remaining 11 schools/centers, the scope of the audit was one fiscal year ended June 30, 2017. At 17 schools/centers, there was a change of Principal since the prior audit.

The audits disclosed that 43 of the 45 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The two schools/centers with audit findings and the affected areas are as follows:

Work Loc. No.	Name Of School/Center <i>Principal's Tenure</i>	Region Office	Audit Scope	Change Of Principal Since Prior Audit	Prior Audit Findings At School/ Center	Current Audit Total Findings Per School/ Center	Findings Per Category
							Internal Funds
							Receipting and Depositing/ Safeguarding of Collections
2581	1. Madie Ives Elementary ¹ <i>Same Principal as in prior audit-no change. Finding under current (same) Principal. Audit requested by the Principal.</i>	North	2015-2016 2016-2017	No	No	1	1 (2016-2017)
3191	2. Ada Merritt K-8 Center <i>Same Principal as in prior audit-no change. Finding under current (same) Principal.</i>	Central	2015-2016 2016-2017	No	No	1	1 (2016-2017)
	TOTAL					2	2

As depicted in the table above, we noted certain deficiencies in the controls over the receipting, depositing and safeguarding of collections/deposits. The table also illustrates whether a change of Principal since the prior audit occurred; the tenure of the school administration under which the finding was assessed; the audit period (scope); whether the audit was the result of a request from the school administration; and whether findings were recurrent/consecutive. More specific details regarding prior/current findings, names of Principals and timeframes of their administrative assignments are provided on pages 24-33 of this report.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools/centers in this report is presented on pages 24-27. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 42-51); and in the *Appendix Section* in memorandum format (Pages 62-69).

¹ Madie Ives Elementary became a K-8 Center effective for the 2017-2018 fiscal year. It was an elementary school during the audit period (2015-2016 and 2016-2017) reported herein.

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to *the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 34-37), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 34-37) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit). Regarding William H. Turner Technical Arts Adult Education Center, the financial statements of the internal funds of the adult education center present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and 2016-2017 fiscal years, on the full accrual basis of accounting².*

As of June 30, 2016, for 34³ schools/centers reported herein, total receipts and disbursements amounted to \$6,592,353 and \$(6,502,367), respectively; while total combined Fund Balance amounted to \$1,320,579 (Pages 10-13).

As of June 30, 2017, for all 45 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,553,625 and \$(6,567,591), respectively; while total combined Fund Balance amounted to \$1,444,514 (Pages 14-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 45 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.

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

² K-12 centers migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

³ This report includes 33 K-12 centers and 1 adult education center with a two-year audit (2015-2016 and 2016-2017) and 11 K-12 centers with a one-year audit (2016-2017).

INTERNAL FUNDS

Implementation Of New Accounting System At K-12 Centers

In March 2016, the District migrated the bookkeeping of the internal funds of all K-12 centers from a legacy bookkeeping system (referred to as the MSAF system) to a web-based full accrual accounting system. The new system is named the *Electronic Student Accounting System* by the District (otherwise referred to as the eSAS system)⁴.

The deployment to the new system was accomplished in tiers, where K-12 schools/centers were segregated into four different groups (the first being the pilot group followed by three cohorts). Each group migrated into the new bookkeeping system according to the following schedule under the direction and guidance of various district departments (i.e., Accounting, Treasury Management, Information Technology Services (ITS)), and with technical assistance from the software vendor. Regarding 33 of the 34 schools/centers in this report **with two-year audits**, the summarized group configuration and overall deployment schedule was as follows:

Group Designation	MSAF (Legacy) System End Date	eSAS System Available For Conversion	No. Of K-12 Centers In This Report Phasing Into eSAS During 2015-2016
Pilot	9/29/2015	10/1/2015	0
Cohort 1	11/24/2015	12/1/2015	6
Cohort 2	1/27/2016	2/1/2016	17
Cohort 3	2/24/2016	3/1/2016	10
Total K-12 Centers			33

Consequently, the schools in this report converted from the cash basis system of accounting to the new full accrual system on different dates, and these dates are reflected in the Opinion to the financial statements during the year of conversion (2015-2016). Please, refer to Accounting System Conversion Schedule on pages 34-37 for dates specific to each K-12 center reported herein.

Implementation Of New Accounting System At Adult Ed. Centers/Technical Colleges

The internal funds of adult and community education centers/technical colleges were accounted for on the cash basis of accounting until March 31, 2015. In early April 2015, the District migrated the bookkeeping of the internal funds of these centers from a legacy (bookkeeping) system to a web-based full accrual accounting system. Consequently, the legacy accounting system at William H. Turner Technical Arts Adult Education Center (the only adult education center included in this report) was phased out towards the end of 2014-2015. Therefore, the financials corresponding to the two-fiscal year audit reported herein ended June 30, 2017 are fully accounted for under the new eSAS accounting system.

⁴ Please, refer to *Background Section* on pages 54-56 for additional details.

Internal Funds-Summary Of Audit Results

Internal funds records and procedures were reviewed at all 45 schools/centers. At 43 of the 45 schools/centers, we determined there was general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following two schools/centers we found that:

- During April 2017, the Principal of Madie Ives Elementary contacted our office regarding cash collections that were missing from the Treasurer's Office and requested an audit of the school records. The funds in question represented student collections for an upcoming field trip. Although our audit confirmed a monetary shortfall of approximately \$1,000, it could not identify the party responsible for the misappropriation of funds because of the conditions surrounding the collection and custody of these funds, and the lack of documentary evidence over these collections. However, the audit concluded that the former Treasurer was negligent not only in the performance of her duties, but also in the improper handling/safeguarding of these funds, which led to their loss. We reported the results of our review to M-DCPS School Police and the Office of Professional Standards for their consideration. The former Treasurer is on board-approved leave since the time of the incident and the case is ongoing pending her return to the District. A new Treasurer has been hired at this school (Pages 42-47).
- During November 2016, the Principal of Ada Merritt K-8 Center reported an incident of missing funds that was initially investigated by M-DCPS School Police. According to the allegation, the Treasurer left several deposit bags on her desk while stepping out of the school for lunch; and one of the bags said to contain approximately \$1,770 cash was discovered missing upon her return. We conducted an audit subsequent to the MDCPS Police investigation. Neither the police investigation nor our audit could identify the individual(s) responsible for the misappropriation; however, both concluded that the Treasurer failed to exercise due diligence in the safeguarding of collections. Consequent to the substantiation of the allegation in the incident report, the School Board approved the District's recommended disciplinary action to suspend the employee for two days' work without pay. In addition, the employee is in the process of restituting the funds (Pages 48-51).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 45 schools/centers reported herein.

At these 45 schools/centers, Property Audits staff inventoried approximately 8,200 equipment items with a total approximate cost of \$21.2 million. All inventories proved satisfactory. Property inventories also include the review of property losses reported by the schools/centers through the Plant Security Report process. However, none of the schools/centers reported any losses through Plant Security Reports (Pages 38-41).

PAYROLL

We reviewed payroll records and procedures at the following four schools/centers. The payroll audit at Madie Ives Elementary was performed due to a concern raised by the school administration during the audit visit. The audits at Brentwood, Miami Sunset Senior and Peskoe K-8 were corollary to the audits of Title I Program funds. In addition, at Peskoe K-8, we followed up on prior audit findings in the payroll area. The scope of the payroll audits varied, depending on the conditions being reviewed/followed up, as previously noted.

Work Location No.	Schools/Centers	Region	Pay Periods Reviewed Corresponding To
0461	Brentwood Elementary	North	2015-2016
2581	Madie Ives Elementary	North	2016-2017
4391	Irving & Beatrice Peskoe K-8 Center	South	2015-2016 and 2016-2017
7531	Miami Sunset Senior	South	2015-2016

We found that at all four schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following two schools/centers. At Madie Ives Elementary, our review resulted from a concern shared by the Principal during the audit. At Miami Norland Senior, we performed the review as a follow-up to a prior audit finding. The scope of the P-Card audits covered P-Card monthly reconciliations from the 2016-2017 fiscal year.

Work Location No.	Schools/Centers	Region	P-Card Reconciliations Reviewed Corresponding To
2581	Madie Ives Elementary	North	2016-2017
7381	Miami Norland Senior	North	2016-2017

Both schools/centers reviewed were generally compliant with the procedures and guidelines established in the *Purchasing Card Program Policies and Procedures Manual*.

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures corresponding to the 2015-2016 fiscal year was conducted at three schools/centers. The following table summarizes the schools/centers reviewed:

Work Location No.	Schools/Centers	Region	Audit Period	Total Expenditures
0461	Brentwood Elementary	North	2015-2016	\$ 762,951
4391	Irving & Beatrice Peskoe K-8 Center	South	2015-2016	211,410
7531	Miami Sunset Senior	South	2015-2016	182,529
Total Title I Program Expenditures				\$ 1,156,890

At these three schools/centers, aggregate expenditures incurred under various Title I programs amounted to approximately \$1.2 million. All three schools/centers reviewed were generally compliant with the procedures and guidelines established in the *Title I Administration Handbook*.

FULL TIME-EQUIVALENT (FTE) FUNDING

The following 11 schools/centers were selected for these audits:

Work Location No.	Schools/Centers	Region	Survey Period (SP)	FTE Funding
0341	Arch Creek Elementary	North	2016-2017 SP 3	\$ 1,549,639
0561	W. J. Bryan Elementary	North	2016-2017 SP 3	1,900,912
2281	Greynolds Park Elementary	North	2016-2017 SP 3	2,043,905
3661	Natural Bridge Elementary	North	2016-2017 SP 3	1,849,315
4281	Palm Springs North Elementary	North	2016-2017 SP 3	2,832,406
3281	Miami Lakes K-8 Center	North	2016-2017 SP 3	3,685,081
5141	Hubert O. Sibley K-8 Academy	North	2016-2017 SP 3	2,095,687
6751	Hialeah Gardens Middle	North	2016-2017 SP 3	4,287,998
7381	Miami Norland Senior	North	2016-2017 SP 3	4,559,130
3191	Ada Merritt K-8 Center	Central	2016-2017 SP 3	2,140,497
7531	Miami Sunset Senior	South	2016-2017 SP 3	3,814,640
Total FTE Funding				\$ 30,759,210

The total FTE funding amounted to approximately \$30.8 million for the 11 schools/centers combined. FTE records reviewed corresponded to the 2016-2017 Survey Period 3 (February 2017) as noted in the table above. Our FTE reviews disclosed that all 11 schools/centers were generally compliant with District policy and FTE records reviewed were in good order.

DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following two schools/centers. At Miami Norland Senior, our review was the result of an audit follow-up to conditions cited in the prior audit of the individual school/center. At Brentwood Elementary, our review of the report was corollary to the Title I Program audit conducted at the school.

Work Location No.	Schools/Centers	Region	Data Security Reports Reviewed Corresponding To
0461	Brentwood Elementary	North	2016-2017
7381	Miami Norland Senior	North	2017-2018

Our review disclosed that both schools/centers generally complied with the review of the report and with the requirements for granting staff’s access to system applications. At both schools, minor issues regarding staff members’ access to certain system applications were discussed with the school administration for their information and corrective follow-up.

AUDIT OPINION

The following tables summarize total receipts, disbursements and Fund Balance as of June 30, 2016 and/or June 30, 2017, for the 45 schools/centers included herein, depending on the year(s) audited for each individual school/center⁵. It also provides the audit opinion regarding the schools/centers' financial statements:

⁵ This report includes a total of 45 schools/centers, of which 34 underwent a two-year audit ended June 30, 2017, and 11 underwent a one-year audit ended June 30, 2017.

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2016

The Condensed Annual Financial Report and Fund Balance as of June 30, 2016 for 34 of the 45 schools/centers are as follows (two-year audits):

Work Loc. No.	Schools/Centers	Annual Financial Report			Fund Balance						
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
North Region Office Schools/Centers											
0341	Arch Creek Elementary	\$ 10,771.65	\$ 20,772.95	\$ (18,560.61)	\$ 12,983.99	\$ 1,161.67	\$ 11,822.32	\$ -	\$ -	\$ -	\$ 12,983.99
2441	Virginia A. Boone/Highland Oaks Elementary	19,005.83	223,115.74	(222,901.33)	19,220.24	13,888.16	5,332.08	-	-	-	19,220.24
0461	Brentwood Elementary	11,773.38	29,204.90	(29,758.62)	11,219.66	4,047.58	7,172.08	-	-	-	11,219.66
0561	W. J. Bryan Elementary	19,790.00	121,414.58	(123,265.20)	17,939.38	6,808.15	11,131.23	-	-	-	17,939.38
0641	Bunche Park Elementary	21,340.37	11,479.26	(16,182.74)	16,636.89	1,662.08	14,974.81	-	-	-	16,636.89
2281	Greynolds Park Elementary	27,257.74	166,243.08	(162,994.29)	30,506.53	17,603.43	12,903.10	-	-	-	30,506.53
2401	Hibiscus Elementary	12,696.24	21,795.29	(20,627.58)	13,863.95	9,991.31	3,872.64	-	-	-	13,863.95
4121	Dr. Robert B. Ingram Elementary	13,564.61	13,257.18	(12,897.92)	13,923.87	2,884.13	11,039.74	-	-	-	13,923.87
2581	Madie Ives Elementary	34,952.24	161,444.09	(162,657.59)	33,738.74	1,066.34	32,672.40	-	-	-	33,738.74

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2016

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
3661	Natural Bridge Elementary	11,017.19	38,382.65	(35,453.85)	13,945.99	12,044.26	1,901.73	-	-	-	13,945.99
5131	North Dade Center For Modern Languages Elementary	26,714.75	45,370.33	(53,178.53)	18,906.55	9,977.38	8,929.17	-	-	-	18,906.55
4021	Oak Grove Elementary	9,176.51	61,037.11	(61,062.54)	9,151.08	9,151.08	-	-	-	-	9,151.08
4261	Palm Springs Elementary	17,716.10	37,406.24	(35,789.65)	19,332.69	15,106.45	4,226.24	-	-	-	19,332.69
4281	Palm Springs North Elementary	35,407.74	463,698.79	(463,929.44)	35,177.09	12,696.10	22,480.99	-	-	-	35,177.09
4341	Parkway Elementary	4,033.19	20,705.56	(20,325.78)	4,412.97	3,276.33	1,136.64	-	-	-	4,412.97
4541	Rainbow Park Elementary	9,549.01	38,231.73	(39,111.24)	8,669.50	5,691.27	2,978.23	-	-	-	8,669.50
2371	West Hialeah Gardens Elementary	25,857.22	432,621.04	(431,082.63)	27,395.63	25,853.14	1,542.49	-	-	-	27,395.63
0091	Bob Graham Education Center	29,509.07	590,656.11	(588,855.38)	31,309.80	22,057.38	9,252.42	-	-	-	31,309.80
3281	Miami Lakes K-8 Center	26,996.60	161,992.81	(172,526.30)	16,463.11	12,916.16	3,546.95	-	-	-	16,463.11
5141	Hubert O. Sibley K-8 Academy	12,735.84	48,558.43	(47,445.55)	13,848.72	3,997.36	9,851.36	-	-	-	13,848.72
6023	Andover Middle	25,253.28	72,385.96	(72,166.08)	25,473.16	10,756.92	14,716.24	-	-	-	25,473.16

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2016

Work Loc. No.	Schools/Centers	Annual Financial Report			Fund Balance						
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
6751	Hialeah Gardens Middle	37,663.55	221,496.09	(221,190.74)	37,968.90	7,304.51	30,664.39	-	-	-	37,968.90
7381	Miami Norland Senior	98,495.79	372,711.24	(364,032.97)	107,174.06	9,491.19	97,682.87	-	-	-	107,174.06
Central Region Office Schools/Centers											
0122	Dr. Rolando Espinosa K-8 Center	56,239.54	437,917.05	(441,533.78)	52,622.81	26,089.21	26,533.60	-	-	-	52,622.81
3191	Ada Merritt K-8 Center	36,658.80	467,456.12	(465,458.66)	38,656.26	26,521.93	12,134.33	-	-	-	38,656.26
7601	William H. Turner Technical Arts High School	114,018.25	354,520.54	(349,536.35)	119,002.44	70,739.84	48,262.60	-	-	-	119,002.44
South Region Office Schools/Centers											
0211	Dr. Manuel C. Barreiro Elementary	16,033.42	277,467.36	(272,512.36)	20,988.42	19,945.78	1,042.64	-	-	-	20,988.42
2151	Jack D. Gordon Elementary	24,920.75	501,763.47	(472,167.89)	54,516.33	29,471.88	25,044.45	-	-	-	54,516.33
4511	Dr. Gilbert L. Porter Elementary	9,287.98	295,830.01	(284,000.52)	21,117.47	14,429.98	6,687.49	-	-	-	21,117.47
4391	Irving & Beatrice Peskoe K-8 Center	11,240.90	22,477.91	(19,991.31)	13,727.50	8,711.79	5,015.71	-	-	-	13,727.50
6861	Southwood Middle	118,523.26	225,290.70	(245,462.36)	98,351.60	7,141.83	91,209.77	-	-	-	98,351.60
7531	Miami Sunset Senior	188,616.75	426,752.94	(409,295.34)	206,074.35	21,401.71	184,672.64	-	-	-	206,074.35

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2016

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
Adult Education Center											
7602	William H. Turner Technical Arts Adult Education Center	94,500.64	205,077.08	(159,410.68)	140,167.04	69,583.39	23,502.53	-	47,081.12	-	140,167.04
Alternative Education Center											
8101	Jan Mann Opportunity School	19,274.75	3,818.75	(7,001.20)	16,092.30	14,073.97	2,018.33	-	-	-	16,092.30
TOTALS		\$1,230,592.94	\$6,592,353.09	\$(6,502,367.01)	\$1,320,579.02	\$527,543.69	\$745,954.21	\$-	\$47,081.12	\$-	\$1,320,579.02

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2017

The Condensed Annual Financial Reports and Fund Balance as of June 30, 2017 for the 45 schools/centers reported herein are as follows (34 two-year audits and 11 one-year audits):

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
North Region Office Schools/Centers											
0341	Arch Creek Elementary	\$ 12,983.99	\$ 16,331.05	\$ (15,098.57)	\$ 14,216.47	\$ 4,807.68	\$ 9,408.79	-	-	\$ -	\$ 14,216.47
2441	Virginia A. Boone/Highland Oaks Elementary	19,220.24	222,324.66	(227,326.84)	14,218.06	8,833.43	5,384.63	-	-	-	14,218.06
0461	Brentwood Elementary	11,219.66	25,339.81	(23,183.07)	13,376.40	6,133.62	7,242.78	-	-	-	13,376.40
0561	W. J. Bryan Elementary	17,939.38	123,416.01	(124,287.48)	17,067.91	5,826.95	11,240.96	-	-	-	17,067.91
0641	Bunche Park Elementary	16,636.89	8,058.86	(9,306.37)	15,389.38	4,300.14	11,089.24	-	-	-	15,389.38
2281	Greynolds Park Elementary	30,506.53	150,441.25	(155,567.09)	25,380.69	12,350.40	13,030.29	-	-	-	25,380.69
2401	Hibiscus Elementary	13,863.95	30,126.60	(31,070.38)	12,920.17	9,006.91	3,913.26	-	-	-	12,920.17
4121	Dr. Robert B. Ingram Elementary	13,923.87	9,707.35	(10,733.09)	12,898.13	1,760.62	11,137.51	-	-	-	12,898.13
2581	Madie Ives Elementary	33,738.74	199,288.62	(203,025.00)	30,002.36	3,024.80	26,977.56	-	-	-	30,002.36

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2017

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
3661	Natural Bridge Elementary	13,945.99	32,922.47	(28,416.28)	18,452.18	16,531.70	1,920.48	-	-	-	18,452.18
5131	North Dade Center For Modern Languages Elementary	18,906.55	32,151.32	(36,153.39)	14,904.48	5,887.30	9,017.18	-	-	-	14,904.48
3901	North Hialeah Elementary	13,526.34	26,196.91	(25,974.84)	13,748.41	7,898.90	5,849.51	-	-	-	13,748.41
4021	Oak Grove Elementary	9,151.08	56,829.93	(55,711.78)	10,269.23	10,269.23	-	-	-	-	10,269.23
4261	Palm Springs Elementary	19,332.69	41,854.18	(42,353.23)	18,833.64	14,565.75	4,267.89	-	-	-	18,833.64
4281	Palm Springs North Elementary	35,177.09	467,256.19	(461,409.00)	41,024.28	18,321.70	22,702.58	-	-	-	41,024.28
4341	Parkway Elementary	4,412.97	26,027.27	(25,760.31)	4,679.93	3,532.08	1,147.85	-	-	-	4,679.93
4541	Rainbow Park Elementary	8,669.50	19,326.70	(20,655.06)	7,341.14	4,333.55	3,007.59	-	-	-	7,341.14
2371	West Hialeah Gardens Elementary	27,395.63	409,989.13	(408,067.09)	29,317.67	24,759.98	4,557.69	-	-	-	29,317.67
0091	Bob Graham Education Center	31,309.80	567,074.50	(565,597.71)	32,786.59	23,442.99	9,343.60	-	-	-	32,786.59
3281	Miami Lakes K-8 Center	16,463.11	169,113.87	(159,289.21)	26,287.77	22,705.86	3,581.91	-	-	-	26,287.77
5141	Hubert O. Sibley K-8 Academy	13,848.72	35,581.25	(34,275.87)	15,154.10	5,228.22	9,925.88	-	-	-	15,154.10

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2017

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
6023	Andover Middle	25,473.16	66,788.26	(58,243.83)	34,017.59	19,156.29	14,861.30	-	-	-	34,017.59
6751	Hialeah Gardens Middle	37,968.90	191,288.34	(188,916.50)	40,340.74	9,374.10	30,966.64	-	-	-	40,340.74
7381	Miami Norland Senior	107,174.06	301,270.46	(294,382.93)	114,061.59	15,270.72	98,790.87	-	-	-	114,061.59
8151	Robert Renick Educational Center	13,775.95	3,964.74	(4,117.94)	13,622.75	6,708.92	6,913.83	-	-	-	13,622.75
Central Region Office Schools/Centers											
0401	Van E. Blanton Elementary	15,952.17	11,565.42	(12,554.01)	14,963.58	1,191.91	13,771.67	-	-	-	14,963.58
0721	George Washington Carver Elementary	21,804.44	78,860.30	(78,733.75)	21,930.99	5,476.22	16,454.77	-	-	-	21,930.99
1641	Emerson Elementary	12,262.94	148,219.16	(147,890.19)	12,591.91	5,312.36	7,279.55	-	-	-	12,591.91
2981	Liberty City Elementary	5,866.47	20,294.53	(15,538.90)	10,622.10	8,688.67	1,933.43	-	-	-	10,622.10
4841	Santa Clara Elementary	5,780.33	8,592.79	(8,231.93)	6,141.19	1,817.09	4,324.10	-	-	-	6,141.19
1441	Paul Laurence Dunbar K-8 Center	13,233.80	11,215.84	(11,567.93)	12,881.71	3,364.76	9,516.95	-	-	-	12,881.71
0122	Dr. Rolando Espinosa K-8 Center	52,622.81	298,843.09	(305,752.41)	45,713.49	18,901.60	26,811.89	-	-	-	45,713.49
3191	Ada Merritt K-8 Center	38,656.26	510,277.19	(505,727.41)	43,206.04	30,947.00	12,259.04	-	-	-	43,206.04

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2017

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7005	iTech @ Thomas A. Edison Educational Center	9,177.45	10,210.44	(9,357.88)	10,030.01	5,984.75	4,045.26	-	-	-	10,030.01
7601	William H. Turner Technical Arts High School	119,002.44	403,991.86	(411,745.93)	111,248.37	62,510.03	48,738.34	-	-	-	111,248.37
<u>South Region Office Schools/Centers</u>											
0211	Dr. Manuel C. Barreiro Elementary	20,988.42	212,670.70	(213,204.08)	20,455.04	19,402.13	1,052.91	-	-	-	20,455.04
2151	Jack D. Gordon Elementary	54,516.33	409,096.58	(431,641.56)	31,971.35	6,680.04	25,291.31	-	-	-	31,971.35
4511	Dr. Gilbert L. Porter Elementary	21,117.47	263,316.78	(266,787.74)	17,646.51	10,893.11	6,753.40	-	-	-	17,646.51
4611	Redondo Elementary	15,055.08	43,347.53	(43,073.93)	15,328.68	3,800.47	11,528.21	-	-	-	15,328.68
4391	Irving & Beatrice Peskoe K-8 Center	13,727.50	21,209.48	(17,128.09)	17,808.89	12,743.73	5,065.16	-	-	-	17,808.89
6861	Southwood Middle	98,351.60	259,804.48	(264,026.37)	94,129.71	2,020.87	92,108.84	-	-	-	94,129.71
7531	Miami Sunset Senior	206,074.35	420,017.53	(398,096.34)	227,995.54	41,424.74	186,570.80	-	-	-	227,995.54
<u>Adult Education Center</u>											
7602	William H. Turner Technical Arts Adult Education Center	140,167.04	174,725.94	(201,642.51)	113,250.47	63,163.99	23,734.19	-	26,352.29	-	113,250.47

CONDENSED ANNUAL FINANCIAL REPORTS AND FUND BALANCE AS OF JUNE 30, 2017

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
Alternative Education Centers											
8101	Jan Mann Opportunity School	16,092.30	3,721.70	(4,176.15)	15,637.85	13,670.63	2,038.22	-	-	(71.00)	15,637.85
7631	Miami MacArthur South Senior	11,465.50	10,974.37	(11,790.77)	10,649.10	3,284.97	7,364.13	-	-	-	10,649.10
TOTALS		\$1,458,479.49	\$6,553,625.44	\$(6,567,590.74)	\$1,444,514.19	\$585,310.91	\$ 832,921.99	\$ -	\$26,352.29	\$ (71.00)	\$1,444,514.19

AUDIT OPINION

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

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 34-37), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 34-37) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit). Regarding William H. Turner Technical Arts Adult Education Center, the financial statements of the internal funds of the adult education center present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and 2016-2017 fiscal years, on the full accrual basis of accounting⁶.

As of June 30, 2016, for 34⁷ schools/centers reported herein, total receipts and disbursements amounted to \$6,592,353 and \$(6,502,367), respectively; while total combined Fund Balance amounted to \$1,320,579 (Pages 10-13).

As of June 30, 2017, for all 45 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,553,625 and \$(6,567,591), respectively; while total combined Fund Balance amounted to \$1,444,514 (Pages 14-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 45 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.

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

Maria T. Gonzalez

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

⁶ K-12 centers migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

⁷ This report includes 33 K-12 centers and 1 adult education center with a two-year audit (2015-2016 and 2016-2017) and 11 K-12 centers with a one-year audit (2016-2017).

INTERNAL CONTROLS RATING

The internal control ratings for the two schools/centers reported herein **with audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office School/Center</u>							
Madie Ives Elementary		✓			✓		Likely to impact.
<u>Central Region Office School/Center</u>							
Ada Merritt K-8 Center		✓			✓		Likely to impact.

INTERNAL CONTROLS RATING

The internal control ratings for the 43 schools/centers reported herein **without audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Arch Creek Elementary	✓			✓			Not Likely to impact.
Virginia A. Boone/Highland Oaks Elementary	✓			✓			Not Likely to impact.
Brentwood Elementary	✓			✓			Not Likely to impact.
W. J. Bryan Elementary	✓			✓			Not Likely to impact.
Bunche Park Elementary	✓			✓			Not Likely to impact.
Greynolds Park Elementary	✓			✓			Not Likely to impact.
Hibiscus Elementary	✓			✓			Not Likely to impact.
Dr. Robert B. Ingram Elementary	✓			✓			Not Likely to impact.
Natural Bridge Elementary	✓			✓			Not Likely to impact.
North Dade Center For Modern Languages Elementary	✓			✓			Not Likely to impact.
North Hialeah Elementary	✓			✓			Not Likely to impact.
Oak Grove Elementary	✓			✓			Not Likely to impact.
Palm Springs Elementary	✓			✓			Not Likely to impact.
Palm Springs North Elementary	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Parkway Elementary	✓			✓			Not Likely to impact.
Rainbow Park Elementary	✓			✓			Not Likely to impact.
West Hialeah Gardens Elementary	✓			✓			Not Likely to impact.
Bob Graham Education Center	✓			✓			Not Likely to impact.
Miami Lakes K-8 Center	✓			✓			Not Likely to impact.
Hubert O. Sibley K-8 Academy	✓			✓			Not Likely to impact.
Andover Middle	✓			✓			Not Likely to impact.
Hialeah Gardens Middle	✓			✓			Not Likely to impact.
Miami Norland Senior	✓			✓			Not Likely to impact.
Robert Renick Educational Center	✓			✓			Not Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Van E. Blanton Elementary	✓			✓			Not Likely to impact.
George Washington Carver Elementary	✓			✓			Not Likely to impact.
Emerson Elementary	✓			✓			Not Likely to impact.
Liberty City Elementary	✓			✓			Not Likely to impact.
Santa Clara Elementary	✓			✓			Not Likely to impact.
Paul Laurence Dunbar K-8 Center	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Dr. Rolando Espinosa K-8 Center	✓			✓			Not Likely to impact.
iTech @ Thomas A. Edison Educational Center	✓			✓			Not Likely to impact.
William H. Turner Technical Arts High School	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Dr. Manuel C. Barreiro Elementary	✓			✓			Not Likely to impact.
Jack D. Gordon Elementary	✓			✓			Not Likely to impact.
Dr. Gilbert L. Porter Elementary	✓			✓			Not Likely to impact.
Redondo Elementary	✓			✓			Not Likely to impact.
Irving & Beatrice Peskoe K-8 Center	✓			✓			Not Likely to impact.
Southwood Middle	✓			✓			Not Likely to impact.
Miami Sunset Senior	✓			✓			Not Likely to impact.
<u>Adult Education Center</u>							
William H. Turner Technical Arts Adult Education Center	✓			✓			Not Likely to impact.
<u>Alternative Education Centers</u>							
Jan Mann Opportunity School	✓			✓			Not Likely to impact.
Miami MacArthur South Senior	✓			✓			Not Likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office School/Center</u>						
2581	Madie Ives Elementary ^(a)	2015-2016 2016-2017	1	• Receipting and Depositing/Safeguarding of Collections	None	
<u>Central Region Office School/Center</u>						
3191	Ada Merrit K-8 Center ^(a)	2015-2016 2016-2017 <i>2016-17 SP3</i>	1	• Safeguarding of Deposits	None	
TOTAL			2		None	

Note:

(a) No change in school administration since prior audit.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the 43 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
0341	Arch Creek Elementary	2015-2016 2016-2017 <i>2016-17 SP3</i>	None		None	
2441	Virginia A. Boone/Highland Oaks Elementary	2015-2016 2016-2017	None		None	
0461	Brentwood Elementary	2015-2016 2016-2017	None		None	
0561	W. J. Bryan Elementary	2015-2016 2016-2017 <i>2016-17 SP3</i>	None		None	
0641	Bunche Park Elementary	2015-2016 2016-2017	None		None	
2281	Greynolds Park Elementary	2015-2016 2016-2017 <i>2016-17 SP3</i>	None		None	
2401	Hibiscus Elementary	2015-2016 2016-2017	None		None	
4121	Dr. Robert B. Ingram Elementary	2015-2016 2016-2017	None		None	
3661	Natural Bridge Elementary	2015-2016 2016-2017 <i>2016-17 SP3</i>	None		None	
5131	North Dade Center For Modern Languages Elementary	2015-2016 2016-2017	None		None	
3901	North Hialeah Elementary	2016-2017	None		None	
4021	Oak Grove Elementary	2015-2016 2016-2017	None		None	
4261	Palm Springs Elementary	2015-2016 2016-2017	None		None	
4281	Palm Springs North Elementary	2015-2016 2016-2017 <i>2016-17 SP3</i>	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
4341	Parkway Elementary	2015-2016 2016-2017	None		1	• Bookkeeping
4541	Rainbow Park Elementary	2015-2016 2016-2017	None		None	
2371	West Hialeah Gardens Elementary	2015-2016 2016-2017	None		None	
0091	Bob Graham Education Center	2015-2016 2016-2017	None		None	
3281	Miami Lakes K-8 Center	2015-2016 2016-2017 2016-17 SP3	None		None	
5141	Hubert O. Sibley K-8 Academy	2015-2016 2016-2017 2016-17 SP3	None		None	
6023	Andover Middle	2015-2016 2016-2017	None		None	
6751	Hialeah Gardens Middle	2015-2016 2016-2017 2016-17 SP3	None		None	
7381	Miami Norland Senior	2015-2016 2016-2017 2016-17 SP3	None		2	• Disb. (Int. Funds & P-Card) • Data Security
8151	Robert Renick Educational Center	2016-2017	None		2	• Bookkeeping • Disbursements
<u>Central Region Office Schools/Centers</u>						
0401	Van E. Blanton Elementary	2016-2017	None		None	
0721	George Washington Carver Elementary	2016-2017	None		None	
1641	Emerson Elementary	2016-2017	None		None	
2981	Liberty City Elementary	2016-2017	None		None	
4841	Santa Clara Elementary	2016-2017	None		None	
1441	Paul Laurence Dunbar K-8 Center	2016-2017	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
0122	Dr. Rolando Espinosa K-8 Center	2015-2016 2016-2017	None		None	
7005	iTech @ Thomas A. Edison Educational Center	2016-2017	None		None	
7601	William H. Turner Technical Arts High School	2015-2016 2016-2017	None		None	
<u>South Region Office Schools/Centers</u>						
0211	Dr. Manuel C. Barreiro Elementary	2015-2016 2016-2017	None		None	
2151	Jack D. Gordon Elementary	2015-2016 2016-2017	None		1	• FTE-ELL
4511	Dr. Gilbert L. Porter Elementary	2015-2016 2016-2017	None		None	
4611	Redondo Elementary	2016-2017	None		None	
4391	Irving & Beatrice Peskoe K-8 Center	2015-2016 2016-2017	None		1	• Payroll
6861	Southwood Middle	2015-2016 2016-2017	None		None	
7531	Miami Sunset Senior	2015-2016 2016-2017 2016-17 SP3	None		None	
<u>Adult Education Center</u>						
7602	William H. Turner Technical Arts Adult Education Center	2015-2016 2016-2017	None		None	
<u>Alternative Education Centers</u>						
8101	Jan Mann Opportunity School	2015-2016 2016-2017	None		None	
7631	Miami MacArthur South Senior	2016-2017	None		None	
TOTAL			None		7	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office School/Center</u>			
2581	Madie Ives Elementary	Ms. Deborah P. Johnson-Brinson	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office School/Center</u>			
3191	Ada Merritt K-8 Center	Ms. Carmen M. Garcia	N/A = No Change of Principal Since Prior Audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the 43 schools/centers **without audit exceptions**. **The highlighted table cell represents the principal(s)/administrator(s) in charge of the school/center during the audit period:**

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
0341	Arch Creek Elementary	Dr. Marie A. Bazile	N/A = No Change of Principal Since Prior Audit.
2441	Virginia A. Boone/Highland Oaks Elementary ^(a)	Mr. Julio Fong	Mr. Scott H. Saperstein (Through July 2017; presently Principal at Ruth K. Broad/ Bay Harbor K-8 Center).
0461	Brentwood Elementary	Dr. Sharon D. Jackson	N/A = No Change of Principal Since Prior Audit.
0561	W. J. Bryan Elementary	Ms. Milagros L. Maytin	N/A = No Change of Principal Since Prior Audit.
0641	Bunche Park Elementary	Ms. Yesenia M. Aponte	N/A = No Change of Principal Since Prior Audit.
2281	Greynolds Park Elementary	Mr. Jorge Mazon	N/A = No Change of Principal Since Prior Audit.
2401	Hibiscus Elementary ^(a)	Ms. Valerie O. Gilchrist	Ms. Kim W. Cox (Through June 2017; retired).
4121	Dr. Robert B. Ingram Elementary	Dr. Cynthia Clay	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal at this school/center since prior audit (17 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
3661	Natural Bridge Elementary	Mr. Frank V. MacBride, Jr.	N/A = No Change of Principal Since Prior Audit.
5131	North Dade Center For Modern Languages Elementary	Dr. Maria A. Castaigne	N/A = No Change of Principal Since Prior Audit.
3901	North Hialeah Elementary ^(a)	Mr. Carlos A. Salcedo	Ms. Yanelys Canales (Through July 2017; presently Principal at Miami Lakes K-8 Center).
4021	Oak Grove Elementary	Ms. Joyce R. Jones	N/A = No Change of Principal Since Prior Audit.
4261	Palm Springs Elementary	Ms. Roxana D. Herrera	N/A = No Change of Principal Since Prior Audit.
4281	Palm Springs North Elementary	Ms. Maribel B. Dotres	N/A = No Change of Principal Since Prior Audit.
4341	Parkway Elementary	Ms. Maria C. Fernandez	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.
2371	West Hialeah Gardens Elementary	Ms. Sharon M. Gonzalez	N/A = No Change of Principal Since Prior Audit.
0091	Bob Graham Education Center	Ms. Yecenia M. Martinez	N/A = No Change of Principal Since Prior Audit.
3281	Miami Lakes K-8 Center ^(a)	Ms. Yanelys Canales	Mr. Carlos A. Salcedo (Through July 2017; presently Principal at North Hialeah Elementary).

Note:

(a) Change of Principal at this school/center since prior audit (17 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
5141	Hubert O. Sibley K-8 Academy	Mr. Michael J. Charlot	N/A = No Change of Principal Since Prior Audit.
6023	Andover Middle ^(a)	Mr. Kenneth L. Williams	Ms. Rennina L. Turner (Through July 2017; presently Principal at Miami Jackson Senior).
6751	Hialeah Gardens Middle	Ms. Maritza D. Jimenez	N/A = No Change of Principal Since Prior Audit.
7381	Miami Norland Senior	Mr. Reginald E. Lee	N/A = No Change of Principal Since Prior Audit.
8151	Robert Renick Educational Center ^(a)	Ms. Emirce Guerra	Ms. Paulette D. Covin-Fredrik (Through July 2017; presently Assistant Principal for Community School at Rubén Darío Middle).
<u>Central Region Office Schools/Centers</u>			
0401	Van E. Blanton Elementary ^(a)	Mr. Pedro R. Cedeño	Ms. Tangela Goa (Through November 2016; on leave). Ms. Trellany M. Parrish-Gay (Through July 2017; presently Principal at Jesse J. McCrary Elementary).
0721	George Washington Carver Elementary ^(a)	Ms. Patricia D. Fairclough	Dr. Cheryl E. Johnson (Through June 2017; retired).
1641	Emerson Elementary ^(a)	Mr. Leonardo Mourino	Mr. Ramon J. Garrigo (Through July 2017; presently Principal at Everglades K-8 Center).
2981	Liberty City Elementary ^(a)	Ms. Adrian M. Rogers	Dr. Orna L. Campbell-Dumeus (Through June 2017; presently Principal at Comstock Elementary).

Note:

(a) Change of Principal at this school/center since prior audit (17 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
4841	Santa Clara Elementary ^(a)	Mr. Stephen E. Papp	Dr. Melanie K. Fox (Through February 2017; retired). Mr. Stephen E. Papp (From March 2017 to present).
1441	Paul Laurence Dunbar K-8 Center ^(a)	Ms. Maria D. de Armas	Ms. Ann M. Lewis (Through July 2017; presently Principal at North Glade Elementary).
0122	Dr. Rolando Espinosa K-8 Center	Ms. Martha M. Muñoz	N/A = No Change of Principal Since Prior Audit.
7005	iTech @ Thomas A. Edison Educational Center ^(a)	Dr. LaShinda S. Moore	Ms. Layda M. Nasr (Through July 2017; presently Principal at Law Enforcement Officers' Memorial High School).
7601	William H. Turner Technical Arts High School ^(a)	Mr. Uwezo B. Frazier	Ms. Lavette S. Hunter (Through May 2016; retired). Mr. Uwezo B. Frazier (From July 2016 to present).
<u>South Region Office Schools/Centers</u>			
0211	Dr. Manuel C. Barreiro Elementary	Ms. Maritza Correa	N/A = No Change of Principal Since Prior Audit.
2151	Jack D. Gordon Elementary	Ms. Maileen A. Ferrer	N/A = No Change of Principal Since Prior Audit.
4511	Dr. Gilbert L. Porter Elementary	Mr. Raul J. Gutierrez	N/A = No Change of Principal Since Prior Audit.
4611	Redondo Elementary ^(a)	Mr. Keith A. Anderson	Dr. Rene E. Baly (Through June 2017; retired)
4391	Irving & Beatrice Peskoe K-8 Center	Ms. Madelyn Sierra-Hernandez	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal at this school/center since prior audit (17 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
6861	Southwood Middle	Mr. Raul F. Garcia	N/A = No Change of Principal Since Prior Audit.
7531	Miami Sunset Senior	Mr. John C. Lux	N/A = No Change of Principal Since Prior Audit.
<u>Adult Education Center</u>			
7602	William H. Turner Technical Arts Adult Education Center ^(a)	Mr. Uwezo B. Frazier	Ms. Lavette S. Hunter (Through May 2016; retired). Mr. Uwezo B. Frazier (From July 2016 to present).
<u>Alternative Education Centers</u>			
8101	Jan Mann Opportunity School	Mr. Samuel L. Johnson	N/A = No Change of Principal Since Prior Audit.
7631	Miami MacArthur South Senior ^(a)	Mr. Daryl Branton	Mr. Marcus L. Miller (Through July 2017; presently Principal at Brownsville Middle).

Note:

(a) Change of Principal at this school/center since prior audit (17 schools/centers).

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Not all K-12 centers within the same group migrated to the new system on the same date during the 2015-2016 fiscal year. Although the system was available on the dates noted below for each of the pilot group/cohort groups, K-12 centers were directed not to input any information until they attended the “Go Live” meeting scheduled at ITS, where Treasurers were given guidance on how to migrate to the new system and initialize the financial information in the new system. Adult education centers/technical colleges migrated to the eSAS system in April 2015. The table below summarizes the information for the K-12 centers (with two-year audits) reported herein.

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	“Go Live” Session Scheduled Date
<u>North Region Office Schools/Centers</u>					
0341	Arch Creek Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
2441	Virginia A. Boone/Highland Oaks Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
0461	Brentwood Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
0561	W. J. Bryan Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
0641	Bunche Park Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
2281	Greynolds Park Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
2401	Hibiscus Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
4121	Dr. Robert B. Ingram Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
2581	Madie Ives Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
3661	Natural Bridge Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
5131	North Dade Center For Modern Languages Elementary	Cohort 3	02/24/16	03/01/16	03/03/16
3901	North Hialeah Elementary ^(a)				

Note:

(a) At this K-12 center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit reported herein was fully accounted for under the eSAS system.

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
4021	Oak Grove Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
4261	Palm Springs Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
4281	Palm Springs North Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
4341	Parkway Elementary	Cohort 3	02/24/16	03/01/16	03/02/16
4541	Rainbow Park Elementary	Cohort 3	02/24/16	03/01/16	03/03/16
2371	West Hialeah Gardens Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
0091	Bob Graham Education Center	Cohort 2	01/27/16	02/01/16	02/03/16
3281	Miami Lakes K-8 Center	Cohort 2	01/27/16	02/01/16	02/04/16
5141	Hubert O. Sibley K-8 Academy	Cohort 1	11/24/15	12/01/15	12/02/15
6023	Andover Middle	Cohort 1	11/24/15	12/01/15	12/03/15
6751	Hialeah Gardens Middle	Cohort 1	11/24/15	12/01/15	12/03/15
7381	Miami Norland Senior	Cohort 2	01/27/16	02/01/16	02/05/16
8151	Robert Renick Educational Center ^(a)				
<u>Central Region Office Schools/Centers</u>					
0401	Van E. Blanton Elementary ^(a)				
0721	George Washington Carver Elementary ^(a)				

Note:

(a) At this K-12 center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit reported herein was fully accounted for under the eSAS system.

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
1641	Emerson Elementary ^(a)				
2981	Liberty City Elementary ^(a)				
4841	Santa Clara Elementary ^(a)				
1441	Paul Laurence Dunbar K-8 Center ^(a)				
0122	Dr. Rolando Espinosa K-8 Center	Cohort 2	01/27/16	02/01/16	02/03/16
3191	Ada Merritt K-8 Center	Cohort 1	11/24/15	12/01/15	12/03/15
7005	iTech @ Thomas A. Edison Educational Center ^(a)				
7601	William H. Turner Technical Arts High School	Cohort 2	01/27/16	02/01/16	02/05/16
<u>South Region Office Schools/Centers</u>					
0211	Dr. Manuel C. Barreiro Elementary	Cohort 2	01/27/16	02/01/16	02/03/16
2151	Jack D. Gordon Elementary	Cohort 2	01/27/16	02/01/16	02/04/16
4511	Dr. Gilbert L. Porter Elementary	Cohort 3	02/24/16	03/01/16	03/03/16
4611	Redondo Elementary ^(a)				
4391	Irving & Beatrice Peskoe K-8 Center	Cohort 1	11/24/15	12/01/15	12/02/15
6861	Southwood Middle	Cohort 2	01/27/16	02/01/16	02/05/16
7531	Miami Sunset Senior	Cohort 2	01/27/16	02/01/16	02/05/16

Note:

(a) At this K-12 center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit reported herein was fully accounted for under the eSAS system.

ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
<u>Adult Education Center</u>					
7602	William H. Turner Technical Arts Adult Education Center ^(b)				
<u>Alternative Education Centers</u>					
8101	Jan Mann Opportunity School	Cohort 1	11/24/15	12/01/15	12/03/15
7631	Miami MacArthur South Senior ^(a)				
TOTAL		45 schools/centers			

Notes:

(a) At this K-12 center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit reported herein was fully accounted for under the eSAS system.

(b) At this adult education center, the migration to the new system happened in 2014-2015. This was reported in the center's prior audit report. The two-year audit reported herein was fully accounted for under the eSAS system.

PROPERTY SCHEDULE

The results of the property inventories for the 45 schools/centers reported herein are as follows:

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
North Region Office Schools/Centers								
0341	Arch Creek Elementary	76	\$ 165,338	-	\$ -	\$ -	-	\$ -
2441	Virginia A. Boone/Highland Oaks Elementary	95	185,224	-	-	-	-	-
0461	Brentwood Elementary	215	445,392	-	-	-	-	-
0561	W. J. Bryan Elementary	108	258,654	-	-	-	-	-
0641	Bunche Park Elementary	72	253,504	-	-	-	-	-
2281	Greynolds Park Elementary	209	478,210	-	-	-	-	-
2401	Hibiscus Elementary	135	289,176	-	-	-	-	-
4121	Dr. Robert B. Ingram Elementary	183	512,032	-	-	-	-	-
2581	Madie Ives Elementary	186	361,321	-	-	-	-	-
3661	Natural Bridge Elementary	186	369,800	-	-	-	-	-

PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
5131	North Dade Center For Modern Languages Elementary	56	118,652	-	-	-	-	-
3901	North Hialeah Elementary	152	384,439	-	-	-	-	-
4021	Oak Grove Elementary	112	228,761	-	-	-	-	-
4261	Palm Springs Elementary	213	417,750	-	-	-	-	-
4281	Palm Springs North Elementary	184	529,232	-	-	-	-	-
4341	Parkway Elementary	105	231,870	-	-	-	-	-
4541	Rainbow Park Elementary	121	269,877	-	-	-	-	-
2371	West Hialeah Gardens Elementary	78	258,836	-	-	-	-	-
0091	Bob Graham Education Center	329	717,991	-	-	-	-	-
3281	Miami Lakes K-8 Center	227	631,197	-	-	-	-	-
5141	Hubert O. Sibley K-8 Academy	156	353,798	-	-	-	-	-
6023	Andover Middle	443	1,098,934	-	-	-	-	-
6751	Hialeah Gardens Middle	200	552,522	-	-	-	-	-
7381	Miami Norland Senior	362	1,186,953	-	-	-	-	-

PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
8151	Robert Renick Educational Center	143	381,778	-	-	-	-	-
<u>Central Region Office Schools/Centers</u>								
0401	Van E. Blanton Elementary	108	244,576	-	-	-	-	-
0721	George Washington Carver Elementary	115	218,328	-	-	-	-	-
1641	Emerson Elementary	114	256,985	-	-	-	-	-
2981	Liberty City Elementary	105	280,946	-	-	-	2	2,592
4841	Santa Clara Elementary	125	285,772	-	-	-	-	-
1441	Paul Laurence Dunbar K-8 Center	165	354,871	-	-	-	-	-
0122	Dr. Rolando Espinosa K-8 Center	196	664,190	-	-	-	-	-
3191	Ada Merritt K-8 Center	106	254,650	-	-	-	-	-
7005	iTech @ Thomas A. Edison Educational Center	238	474,269	-	-	-	-	-
7601	William H. Turner Technical Arts High School	777	2,634,758	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
0211	Dr. Manuel C. Barreiro Elementary	109	469,487	-	-	-	-	-

PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
2151	Jack D. Gordon Elementary	158	375,840	-	-	-	-	-
4511	Dr. Gilbert L. Porter Elementary	116	295,059	-	-	-	-	-
4611	Redondo Elementary	115	286,855	-	-	-	-	-
4391	Irving & Beatrice Peskoe K-8 Center	134	279,766	-	-	-	-	-
6861	Southwood Middle	330	761,618	-	-	-	-	-
7531	Miami Sunset Senior	491	1,544,177	-	-	-	-	-
<u>Adult Education Center</u>								
7602	William H. Turner Technical Arts Adult Education Center	20	88,875	-	-	-	-	-
<u>Alternative Education Centers</u>								
8101	Jan Mann Opportunity School	84	201,551	-	-	-	-	-
7631	Miami MacArthur South Senior	200	569,724	-	-	-	-	-
TOTALS		8,152	\$ 21,223,538	-	-	-	2	\$ 2,592

FINDINGS AND RECOMMENDATIONS

1. **Inadequate Controls Over The Collecting, Receipting, And Safeguarding Of Collections Led To Monetary Losses *Madie Ives Elementary School***

During October 2016, the Treasurer who worked at the school for several years left for another position within the school district and a new Treasurer was hired in November 2016. However, this individual only worked at the school for approximately six months. Subsequently, the former Treasurer who had left the school in October 2016 was rehired to fill the position. *The issues cited below happened under the tenure of the Treasurer who worked at the school from November 2016 to April 2017.*

On April 26, 2017, the Principal contacted our office regarding cash collections totaling approximately \$1,130 that were missing from the Treasurer's Office and requested an audit of the school records. The funds in question represented cash collections from students intended for a field trip to Washington, D.C. that was scheduled to take place from May 24, 2017 to May 26, 2017.

We reviewed the financial activity associated with the Washington, D.C. field trip, as well as three other school-sponsored field trips that transpired during the 2016-2017 fiscal year up to April 2017. In addition, we interviewed the Principal and several faculty/staff members including the sponsor of the Washington, D.C. field trip. The former Treasurer was not available during our visit and at present is on official leave of absence from the District.

Our review confirmed a monetary shortfall of approximately \$1,000 between potential field trip revenues totaling approximately \$33,600 and deposited collections totaling approximately \$32,600 which were posted to the Fifth-Grade students' Washington, D.C. field trip account. Although we were able to establish a shortfall, we could not determine the party responsible for the misappropriation of funds because of the conditions surrounding the collection and custody of these funds, and the lack of documentary evidence over these collections. However, based on information and records that were made available to us, we determined that the former Treasurer was negligent not only in the performance of her duties, but also in the improper handling/safeguarding of these funds, which led to their loss. We reported the results of our review to M-DCPS School Police and the Office of Professional Standards for their consideration. The former Treasurer is on board-approved leave since the time of the incident and the case is ongoing pending her return to the District. Details follow:

Official Receipts Not Issued To Document When Monies Exchanged Hands

A critical control over collections is the issuance of a receipt to document the exchange of monies between a Treasurer and staff members/activity sponsors, and between staff members/activity sponsors and students. Under the former Treasurer's tenure, it appears that this control, as established in Section II, Chapter II of the *Manual of Internal Fund Accounting*, was not implemented properly.

- 1.1. According to the sponsor of the Washington, D.C. field trip, she collected approximately \$1,130 cash from nine students approximately four weeks before the date that they were discovered missing. At the time, she had brought the collections to the Treasurer's Office to write the individual official receipts for the students and turn the monies over for deposit. However, the former Treasurer claimed that she was busy and could not attend to this request. The sponsor left the funds in the custody of the former Treasurer without receiving the yellow copy of the Recap of Collections or a receipt from the accounting system. They agreed to meet later to process the monies, but the former Treasurer kept postponing the meeting. This unsettling situation climaxed on April 21, 2017, when the sponsor's last effort to meet with the former Treasurer turned unsuccessful and the matter was ultimately brought to the Principal's attention for resolution.

Proper Safeguarding Of Collections Not Observed

The former Treasurer's failure to exercise due care in the safeguarding of collections resulted in the loss of funds. Pursuant to Section II, Chapter 3 of the *Manual of Internal Fund Accounting*, the deposit of funds should be made in a timely manner, once monies accumulated exceed \$150. However, in those instances where schools engage an armored car service to deliver deposits to the bank (which may not happen on a daily basis), or when funds are left at the school overnight/over the weekend, *Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools* requires utilization of the *Collections/Deposits Log [FM-7249]*. Consistent use of this form is required to ensure that the school administration is fully aware of any collections held at the school overnight or over the weekend pending deposit.

- 1.2. For the November 2016 to April 2017 period, we could only locate the *Collections/Deposits Log* for the months of December 2016 and January 2017; however, these forms were never completed correctly. According to the Principal, she was not made aware of any collections that were under the custody of the former Treasurer pending deposit. On the morning of April 21, 2017, once the Principal was alerted, she immediately contacted the former Treasurer (who was absent from the school) to find out the whereabouts of the cash collections in question. The former Treasurer directed them to the Treasurer's Office where a

cash box with said collections was stored in a cabinet; however, the box was locked and the key was not available. Upon forcing the lock and opening the box, the Principal and the field trip sponsor discovered that the box was empty.

Subsequent to the discovery, for the next few days, the former Treasurer informed the school that she was not coming to work anymore. In one of her e-mails, she expressed to the Principal difficulties handling the job and among other things, *“fear of others stealing out of my office”* and concerns that she may have forgotten to lock her cabinets.

Other Non-Compliant Matters Related to Internal Fund Records

- 1.3. For the corresponding receipt books associated with the Washington D.C. field trip that took place in May 2017 and for several receipts books associated with another out-of-county field trip that we reviewed during this audit, the copy of the computer-generated receipts was not stapled to the last receipt issued that corresponded to the collections submitted.

RECOMMENDATIONS

- 1.1. **Discuss receipting and depositing procedures with faculty and staff members for understanding and awareness of the requirements. Direct them to request a receipt from the Treasurer when turning collections over for deposit.**
- 1.2. **Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job. Direct the new Treasurer to always issue receipts when receiving collections from staff.**
- 1.3. **Discuss with faculty/staff and the new Treasurer the timelines for receipting and depositing collections and the proper utilization of the Collections/Deposit Log [FM-7249]. This log should be completed when collections remain at the school overnight for the next business day's deposit.**
- 1.4. **Identify a proper/secure location for storing the collections and direct the new Treasurer to safeguard the collections appropriately.**
- 1.5. **In those instances where official receipts are issued to document individual collections of \$15 or more, the school administration should direct the new Treasurer to staple the computer-generated receipt (produced by the automated system) to the last official receipt in the receipt book that corresponds to the collections submitted.**

- 1.6. **Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the new Treasurer.**
- 1.7. **Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.**

Person(s) Responsible:

**Principal,
Assistant Principal, Treasurer**

Management Response:

The Principal has reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* with the Assistant Principal, new Treasurer and staff to ensure their understanding of all procedures regarding receipting, depositing and bookkeeping.

The Principal has discussed bookkeeping procedures with the new Treasurer to ensure understanding of the job expectations. Also, the Principal has directed faculty and staff members to request a receipt from Treasurer when turning over collections for deposit. Also, the Principal has directed the Treasurer to always issue receipts when receiving collections from staff.

The Principal has strengthened the procedures for receipting and depositing collections. All monies are receipted and deposited daily; specifically, as it relates to Field Trip; payments that are not made online will be receipted by 10:00 a.m. and deposited daily. All grade level chairs attended a meeting with the Principal and Treasurer to review procedures. They were provided a copy of the District' Field Trip Handbook, the Region Checklist as well as the school memo regarding the collections of Field Trip Monies.

The Principal together with the Treasurer has reviewed with the office staff the proper utilization of the collections/deposit log (FM 7249) specifically documenting the securing of monies in the vault and the removal of monies to Brinks. A safe bolted to the floor in the vault has been identified as the location for securing funds collected until picked up. The vault has been rekeyed for further safeguarding.

The Principal has directed the Treasurer to staple the computer-generated receipt to the last official receipt in the receipt book that corresponds to the collections submitted in the instances where official receipts are issued for individual collections of \$15 or more.

The Principal has designated her Assistant Principal to review the financial activities on a weekly basis with the Treasurer to ensure collections are properly receipted, documented and timely deposited.

To further ensure procedures are being followed, the Principal will also meet with the Assistant Principal and Treasurer to review all financial activities on a weekly basis identifying discrepancies and ensuring corrective action immediately.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal and the new Treasurer to implement and monitor with the Assistant Principal to ensure that the collecting, receipting and depositing processes are conducted following guidelines. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting with the Assistant Principal and new Treasurer.

The Principal was instructed to devise a plan to strengthen the controls over bookkeeping procedures to ensure that the Treasurer issues receipts to staff members immediately upon receiving collections from staff.

The Principal was instructed to review with the faculty and staff at the Opening of Schools meeting the timelines for receipting and depositing collections and correct usage of the Collections/Deposit Log (FM-7249) while ensuring logs are completed when collections remain at the school overnight for the next business deposit.

Additionally, the Principal was instructed to re-key the vault and to bolt down the safe for storing collections and to direct the Treasurer to safeguard the collections appropriately.

The Principal was instructed to meet with the Treasurer and Assistant Principal on a weekly basis to review financial activities to ensure collections are properly receipted, documented and deposited in a timely manner. They will review all records for accuracy, resolve discrepancies in a timely manner and seek additional assistance if needed.

Additionally, the North Region Office Financial Human Capital Director will ensure that the “In-House Review Teams” within each feeder pattern assist the school to provide additional support in this area.

Lastly, the Principal has been instructed to attend School Operations’ Money Does Matter Support Program sessions for the 2017-2018 school year and include specific fiscal management job targets on their Performance Plan and Assessment System

Planning Form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

Person(s) Responsible:

School Operations Administration

Management Response:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls over the collecting, receipting, and safeguarding of collections are followed and monitored.
- Continue to work collaboratively with the Region Offices to facilitate and coordinate Fiscal Review Teams of Principals that will conduct on site reviews to further support schools with fiscal and organizational practices;
- Develop a school site Fiscal Review Protocol to serve as a self-reflection checklist for Principals and as a monitoring tool for the Region Office during site visits.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program.

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

**2. Deposits Not Properly
Safeguarded Resulted
In Monetary Losses
*Ada Merritt K-8 Center***

On November 8, 2016, the school reported an incident of missing funds that was investigated by M-DCPS School Police prior to our audit visit. The total amount unaccounted for was approximately \$1,770. According to the allegation, the Treasurer had left school monies on her desk while stepping out of the school for lunch and some of those funds were discovered missing upon her return.

We conducted an audit subsequent to the M-DCPS Police investigation. Neither the Police during their investigation nor our office during the audit could identify the individual(s) responsible for the misappropriation; however, both the School Police investigation and our audit concluded that the Treasurer failed to exercise due diligence in the safeguarding of collections.

Consequent to the substantiation of the allegation in the incident report, the School Board approved the District's recommended disciplinary action to suspend the employee for two days' work without pay effective June 22, 2017. In addition, the employee is in the process of restituting the funds.

During the audit visit, we performed an extended review of the monies collected at the school with particular attention to those collections related to the After School Care and Community School Programs. During our review, nothing came to our attention to indicate that similar incidents or any irregularities with the collections or with the deposits occurred.

Details follow:

According to Section II, Chapter 3 of the *Manual of Internal Fund Accounting*, the school treasurer or authorized designee is responsible for preparing the bank deposit. If substantial afternoon or evening collections are made subsequent to the regular deposit already sent to the bank, an additional deposit may be made; or if not feasible, money collected must be verified by at least two (2) designated persons authorized by the principal, and placed in a safe or other secure area to be deposited the next business day. The principal or authorized designee will use his/her judgment in determining the best means of safeguarding money held pending deposit, as well as petty cash and other funds assigned to a school employee.

Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools implemented utilization of the Collections/Deposits Log [FM-7249]. Consistent use of this form is required to ensure that the school administration is fully aware of any

monies pending deposits at the school; and that two employees are always present when monies are placed into the safe place or removed from the safe place for safeguarding purposes.

On the day of the incident, the Treasurer had under her custody a total of four deposit bags said to contain approximately \$5,050, most of which was cash. These consisted of two separate deposits related to After School Care/Community School collections totaling \$1,772 and \$1,542, respectively; one deposit related to school picture package sales totaling \$1,445; and one deposit related to cafeteria sales totaling \$295.50. These were monies collected on previous days' activity and left overnight at the school, as indicated in the Collections/Deposits Log.

It was a Teacher's Planning day; therefore, students were not in attendance and faculty and administration were attending to professional duties outside the Main Office. According to the Treasurer, she had finished processing the collections and preparing deposit bags before leaving the school grounds to grab lunch and return to her office. Rather than storing them in the secure place designated by the school administration, she left the deposit bags on her desk (located in an office towards the rear of the Main Office) in anticipation of the arrival of the armored car pick-up service. Neither her office nor her desk was secured under lock and key; however, she had left instructions with a staff member residing in the front of the Main Office to watch her office while she stepped out. Upon her return, the armored car pick-up service had arrived, and while she was in the process of recording the individual deposit bag's information in the armored card services' deposit pick-up log, she realized that one of the bags was missing from her office.

Regarding the other staff member who was supposedly manning the office while the Treasurer was out, it was noted that where this staff member was stationed, there was not a direct view of the Treasurer's Office or of the door that was located in the rear of the Main Office. This back door, which is in close proximity to the Treasurer's Office, was open and available to any individual with access to that part of the building, and consequently with possible access to the deposit bags that were not properly secured.

RECOMMENDATIONS

- 2.1. To prevent a similar situation from recurring, the school administration should review the procedures for the safeguarding of collections with affected staff for understanding and awareness of the requirements.**

- 2.2. The school administration should direct the staff to observe with fidelity the requirement for safeguarding collections as stated in *Section II, Chapter 3 of the Manual of Internal Fund Accounting* and in *Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools*. Particular importance should be paid to the requirement for deposits to be verified by two individuals when placing/removing monies from the secured place.
- 2.3. The school administration should assign an administrator to oversee the deposit handling procedures daily and request that any discrepancies be addressed immediately with staff and communicated to the Principal.
- 2.4. Periodically, the Principal should meet with the assigned administrator to follow-up on this area and ensure that procedures for handling and safeguarding the monies are being observed.

Person(s) Responsible:

**Principal, Assistant Principal,
Secretary/Treasurer, Back-up Treasurer**

Management Response:

The Principal met with the Assistant Principal, Secretary/Treasurer, and the back up Treasurer and reviewed *The Manual of Internal Fund and Accounting* Section II, Chapter 3, and Section II Chapter II, letter F-c and the Weekly Briefing# 5164 regarding policies and procedures on the safeguarding of funds to ensure understanding of the guidelines and requirements for the handling and safeguarding of monies.

The Principal directed the Secretary/Treasurer to strictly adhere and ensure fidelity to the handling of deposits daily, to include the immediate verification of funds, to record on the Collections and Deposits Log (FM-7249) the funds collected and the securing of the two required signatures acknowledging amount contained within. Upon removal of the funds from the locked area for immediate depositing, verification of the funds will occur in the presence of a witness and the two signatures will be acquired on the Collections and Deposits Log. The Assistant Principal will oversee daily deposit procedures and report any discrepancies immediately to the Principal.

The Principal will conduct monthly reviews of financial records to check for accuracy and ensure compliance with policies and procedures. The Principal will conduct follow up meetings with the Assistant Principal, Secretary/Treasurer and the back-up Treasurer to discuss any discrepancies noted during the monthly reviews. Beginning with the 2017-2018 school year, the Principal initiated the school's participation in the District's Online School Payments (OSP) Program.

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

The Financial/Business Director instructed the Principal to meet with staff to review the District guidelines policies and procedures on the safeguarding of funds to ensure understanding of the guidelines and requirements for the handling and safeguarding of monies. The Principal was instructed to review the monthly reconciliation financial records to check for accuracy and to ensure compliance with policies and procedures.

The Principal, Secretary/Treasurer and back-up Treasurer will attend all available District training/professional developments to enhance their knowledge on policies/procedures as it relates to safeguarding funds, collecting, and depositing of funds.

The Principal will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.

The Central Region Office Financial/Business Operations Administrative Director has directed the Principal to attend 2017-2018 Money DOES Matter Support Program.

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

Refer to page 47 of this report and page 69 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Ada Merritt K-8 Center.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools/centers for the fiscal year(s) ended June 30, 2016 and/or June 30, 2017, depending on the school/center audited;
- evaluate compliance by the schools/centers with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with payroll procedures, as well as compliance with Purchasing Card Program procedures and with certain current information technology controls;
- verify compliance by the schools/centers with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*; and
- ascertain compliance with State law, State Board of Education Rules, School Board Policy, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

While the scope of our audits generally covered operations during the period of July 1, 2015 through June 30, 2016 and/or July 1, 2016 through June 30, 2017 (depending on whether the audit scope was one or two-year audit at the individual school/center being audited), information technology controls included periods in 2016-2017 or 2017-2018, depending on the individual school/center. The scope of the payroll, Title I Program and Purchasing Card Program audits was either the 2015-2016 and/or 2016-2017 fiscal years, depending on the conditions identified at the individual school/center. FTE audits covered the 2016-2017 fiscal year Survey Period 3 (February 2017).

Our procedures were as follows:

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

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

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

Internal Control Matters

Our audits also included an assessment of applicable internal controls and compliance with the requirements of School Board policies and 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 its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*.

Prior to spending internal funds, schools/centers invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2016 and June 30, 2017 was 0.64% and 1.175%, respectively.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- ◆ Each school administers its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2016 and June 30, 2017, the MDCPS-Money Market Pool Fund's interest rate was 0.64% and 1.175%, respectively.

New Accounting Software To Account For The Internal Funds Of Schools/Centers

In 2013, Miami-Dade County Public Schools needed to upgrade the centralized accounting system applicable for the bookkeeping of the internal funds of the schools and centers districtwide. According to Information Technology Services (ITS), the existing internal funds' centralized accounting system software platform was outdated and difficult to sustain going forward. In addition, the District aimed at an accounting solution that would be capable of accepting credit card payments as well as on-line payments at all schools to mirror current advances in marketing technology and reduce the volume of cash handled at the sites.

After complying with the district-mandated processes for seeking vendor proposals, selecting and engaging a vendor, testing the product, training staff and creating the support infrastructure, the solution was the implementation of *Microsoft Dynamics GP*, an accounting (ERP) software package, which the District deployed on a full-scale for the internal funds of all 21 adult and community education centers/technical colleges effective at the beginning of April 2015. The District named it the *Electronic Student Accounting System* (otherwise referred to as the eSAS system). Unlike the legacy bookkeeping software where the financial activity was reflected on the cash basis of accounting, this new system records the financial transactions under the full accrual basis of accounting.

Regarding K-12 schools/centers, the migration from the old to the new system happened in stages between September 2015 and early March 2016 due to the large number of schools/centers involved (335). As of early March 2016, the District had migrated the bookkeeping of the internal funds of all K-12 centers from the legacy system to the new eSAS accounting system. The deployment was accomplished by establishing a system whereby schools were segregated into four different groups (the first being the pilot group followed by three cohort groups). Each group migrated to the new bookkeeping system according to an agreed upon schedule between the district and the software vendor. The end-dates and start-dates of this exercise are noted in the following table:

Group Designation	MSAF (Legacy) System End Date	eSAS System Available For Conversion	No. Of Schools/Centers
Pilot	9/29/2015	10/1/2015	18
Cohort 1	11/24/2015	12/1/2015	60
Cohort 2	1/27/2016	2/1/2016	149
Cohort 3	2/24/2016	3/1/2016	108
Total Schools/Centers			335

Not all the K-12 centers within the same group migrated to the new system on the same date. Although the system was available on the dates noted above for each of the pilot group/cohort groups, schools/centers were directed not to input any information until they attended the “Go Live” meeting scheduled at ITS, where Treasurers were given guidance on how to migrate to the new system and initialize the financial information in the new system. “Go Live” meetings were scheduled following the day available for conversion and throughout the next few days to accommodate all the schools/centers within the group. For purposes of our opinion, we will use the “eSAS System Available For Conversion” date for the schools/centers in each group/cohort.

The conversion to the new automated system presented many challenges. These included familiarization with the bookkeeping of the funds on a web-based full-accrual system, sorting through discrepancies with the reports and understanding/resolving technical issues with the system in general. As a result, several reporting tasks and reconciliations associated with the bookkeeping of the internal funds were not always completed by the schools/centers in a timely manner. *We took these matters into consideration when performing and reporting the results of our audits.*

PAYROLL

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

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

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

The process for distributing payroll checks and checks advices at the sites changed in 2009 in an effort to eliminate paper checks and paper advices. Employees who received paper checks at the sites were requested to enroll in direct deposit for all payroll-related payments, and were directed to the Employee Portal located in the District’s website to access their payroll information and print the payroll check advices. Although payroll

check distribution at the sites has been greatly minimized, sites are still required to maintain controls over the distribution of payroll checks for those employees who have not signed for direct deposit at this time.

PROPERTY

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

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

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

TITLE I PROGRAM

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



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

At the schools/centers, principals administer Title I programs with oversight from the Region Offices within School Operations, under the overall direction of the Department of Title I Administration.

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

FULL-TIME EQUIVALENT (FTE)

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

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

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

number of FTE students in each of the funded educational programs by a cost factor to obtain weighted FTEs.

Schools/centers are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools/centers to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2016-2017 fiscal year, months selected by the FDOE for these surveys are as follows:

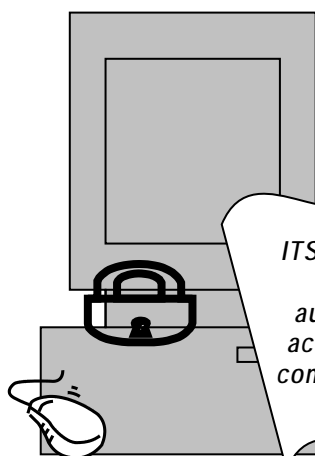
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

Incomplete/inaccurate student records which do not adequately support/justify funding levels may give rise to losses in funding. Similarly, teacher certification is closely linked to FTE funding and must be monitored on an ongoing basis to prevent similar losses in funding to the District. Aside from the monetary losses, non-compliance issues are closely reviewed by the Auditor General and included in their reports.

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

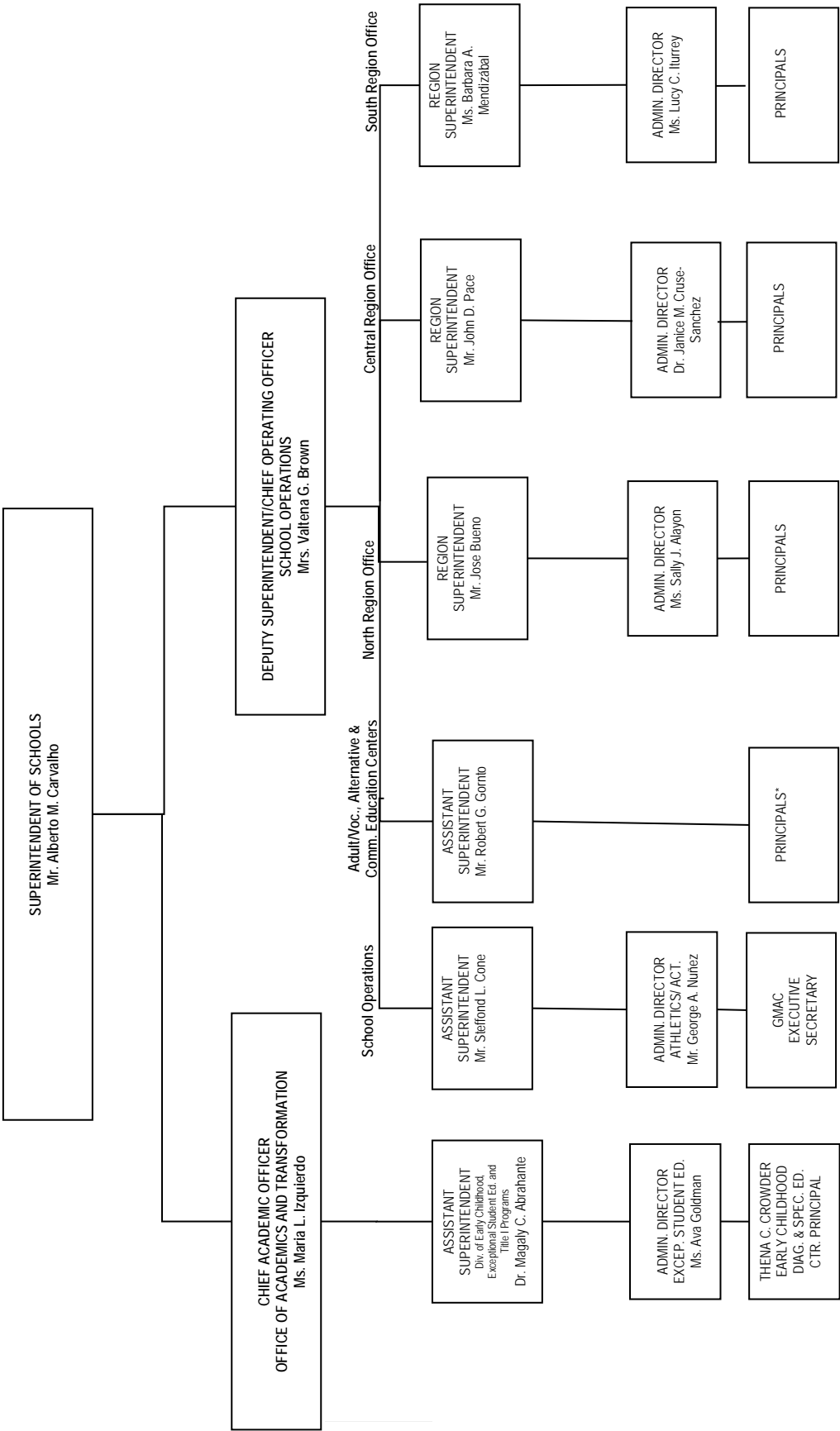
DATA SECURITY MANAGEMENT REPORT



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

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

ORGANIZATIONAL CHART (SCHOOLS/CENTERS)




*Includes Systemwide Business and Industry Services Center.

APPENDIX
MANAGEMENT'S RESPONSES

MEMORANDUM

August 15, 2017

TO: Mr. Jose Bueno, Region Superintendent
North Region Office

FROM: Deborah Johnson-Brinson, Principal
Madie Ives Elementary School 

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF MADIE IVES ELEMENTARY SCHOOL FOR THE 2015-2016 AND 2016-2017 FISCAL YEARS**

The following is a response to the findings of the Audit Report for Madie Ives Elementary School for fiscal years July 1, 2015 – June 30, 2016 and July 1, 2016 – June 30, 2017.

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

FINDING

1. **Inadequate Controls Over the Collecting, Receipting, and Safeguarding of Collections Led to Monetary Losses**

RECOMMENDATIONS

- 1.1 Discuss receipting and depositing procedures with faculty and staff members for understanding and awareness of the requirements. Direct them to request a receipt from the Treasurer when turning collections over for deposit.
- 1.2 Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job. Direct the new Treasurer to always issue receipts when receiving collections from staff.
- 1.3 Discuss with faculty/staff and the new Treasurer the timelines for receipting and depositing collections and the proper utilization of the Collections/Deposit Log (FM-7249). This log should be completed when collections remain at the school overnight for the next business day's deposit.
- 1.4 Identify a proper/secure location for storing the collections and direct the new Treasurer to safeguard the collections appropriately.
- 1.5 In those instances, where official receipts are issued to documents individual collections of \$15 or more, the school administration should direct the new Treasurer to staple the computer-generated receipt (produced by the automated system) to the last official receipt in the receipt book that corresponds to the collections submitted.

- 1.6 **Designate an administrator to review the financial activities on a periodic basis to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the new Treasurer.**
- 1.7 **Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented**

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

MANAGEMENT RESPONSE:

The Principal has reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* with the Assistant Principal, new Treasurer and staff to ensure their understanding of all procedures regarding receipting, depositing and bookkeeping.

The Principal has discussed bookkeeping procedures with the new Treasurer to ensure understanding of the job expectations. Also, the Principal has directed faculty and staff members to request a receipt from Treasurer when turning over collections for deposit. Also, the Principal has directed the Treasurer to always issue receipts when receiving collections from staff.

The Principal has strengthened the procedures for receipting and depositing collections. All monies are receipted and deposited daily; specifically, as it relates to Field Trip; payments that are not made online will be receipted by 10:00 a.m. and deposited daily. All grade level chairs attended a meeting with the Principal and Treasurer to review procedures. They were provided a copy of the District' Field Trip Handbook, the Region Checklist as well as the school memo regarding the collections of Field Trip Monies.

The Principal together with the Treasurer has reviewed with the office staff the proper utilization of the collections/deposit log (FM 7249) specifically documenting the securing of monies in the vault and the removal of monies to Brinks. A safe bolted to the floor in the vault has been identified as the location for securing funds collected until picked up. The vault has been rekeyed for further safeguarding.

The Principal has directed the Treasurer to staple the computer-generated receipt to the last official receipt in the receipt book that corresponds to the collections submitted in the instances where official receipts are issued for individual collections of \$15 or more.

The Principal has designated her Assistant Principal to review the financial activities on a weekly basis with the Treasurer to ensure collections are properly receipted, documented and timely deposited


To further ensure procedures are being followed, the Principal will also meet with the Assistant Principal and Treasurer to review all financial activities on a weekly basis identifying discrepancies and ensuring corrective action immediately.

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

MEMORANDUM

August 23, 2017

TO: Mr. John D. Pace, Region Superintendent
Central Region Office

FROM: Ms. Carmen M. Garcia, Principal 
Ada Merritt K-8 Center

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
ADA MERRITT K-8 CENTER FOR THE 2015 - 2016 AND 2016 - 2017
FISCAL YEARS

This memorandum serves as a response to the relevant findings in the internal audit for Ada Merritt K-8 Center for the 2015 – 2016 and 2016 – 2017 fiscal years.

RECOMMENDATIONS:

- 1.1 To prevent a similar situation from recurring, the school administration should review the procedures for the safeguarding of collections with affected staff for understanding and awareness of the requirements.
- 1.2 The school administration should direct the staff to observe with fidelity the requirement for safeguarding collections as stated in *Section II, Chapter 3 of the Manual of Internal Fund Accounting* and in *Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools*. Particular importance should be paid to the requirement for deposits to be verified by two individuals when placing/removing monies from the secured place.
- 1.3 The school administration should assign an administrator to oversee the deposit handling procedures daily and request that any discrepancies be addressed immediately with staff and communicated to the Principal.
- 1.4 Periodically, the Principal should meet with the assigned administrator to follow-up on this area and ensure that procedures for handling and safeguarding the monies are being observed.

RESPONSIBLE PERSON(S): Principal, Assistant Principal, Secretary/Treasurer, Back-up Treasurer

MANAGEMENT RESPONSE:

The Principal met with the Assistant Principal, Secretary/Treasurer, and the back up Treasurer and reviewed *The Manual of Internal Fund and Accounting* Section II, Chapter 3, and Section II Chapter II, letter F-c and the Weekly Briefing# 5164 regarding policies and procedures on the

safeguarding of funds to ensure understanding of the guidelines and requirements for the handling and safeguarding of monies.

The Principal directed the Secretary/Treasurer to strictly adhere and ensure fidelity to the handling of deposits daily, to include the immediate verification of funds, to record on the Collections and Deposits Log (FM-7249) the funds collected and the securing of the two required signatures acknowledging amount contained within. Upon removal of the funds from the locked area for immediate depositing, verification of the funds will occur in the presence of a witness and the two signatures will be acquired on the Collections and Deposits Log. The Assistant Principal will oversee daily deposit procedures and report any discrepancies immediately to the Principal.

The Principal will conduct monthly reviews of financial records to check for accuracy and ensure compliance with policies and procedures. The Principal will conduct follow up meetings with the Assistant Principal, Secretary/Treasurer and the back-up Treasurer to discuss any discrepancies noted during the monthly reviews. Beginning with the 2017-2018 school year, the Principal initiated the school's participation in the District's Online School Payments (OSP) Program.


If additional information is needed, please feel free to contact me at 305-326-0791.

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

MEMORANDUM

August 22, 2017
JB#022/2017-2018
(305) 572-2800

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

FROM: Jose Bueno,  Region Superintendent
North Region Office

SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOL

Attached, please find the response to the audit findings for the 2015-2016 and 2016-2017 fiscal years for Madie Ives Elementary School. The North Region Office has reviewed the exception cited. The following support activities will be implemented at the Region level.

Madie Ives Elementary

1. Inadequate Controls Over the Collecting, Receipting, and Safeguarding of Collections Led to Monetary Losses

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal and the new Treasurer to implement and monitor with the Assistant Principal to ensure that the collecting, receipting and depositing processes are conducted following guidelines. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting with the Assistant Principal and new Treasurer.

The Principal was instructed to devise a plan to strengthen the controls over bookkeeping procedures to ensure that the Treasurer issues receipts to staff members immediately upon receiving collections from staff.

The Principal was instructed to review with the faculty and staff at the Opening of Schools meeting the timelines for receipting and depositing collections and correct usage of the Collections/Deposit Log (FM-7249) while ensuring logs are completed when collections remain at the school overnight for the next business deposit.

Additionally, the Principal was instructed to re-key the vault and to bolt down the safe for storing collections and to direct the Treasurer to safeguard the collections appropriately.

The Principal was instructed to meet with the Treasurer and Assistant Principal on a weekly basis to review financial activities to ensure collections are properly receipted, documented and deposited in a timely manner. They will review all records for accuracy, resolve discrepancies in a timely manner and seek additional assistance if needed.

Additionally, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

Lastly, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions for the 2017-2018 school year and include specific fiscal management job targets on their Performance Plan and Assessment System Planning Form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

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


JB/SA/IM

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

MEMORANDUM

August 23, 2017
JDP/#010/2017-18

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

FROM: John D. Pace, Region Superintendent 
Central Region Office

SUBJECT: **CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORT FOR ADA
MERRITT K-8 CENTER**

Please find attached the responses to the audit findings for Ada Merritt K-8 Center. The Central Region Office has reviewed the exception cited. The following support activities will be implemented at the Region level.

1. Deposits Not Properly Safeguarded Resulted in Monetary Losses

The Financial/Business Director instructed the Principal to meet with staff to review the District guidelines policies and procedures on the safeguarding of funds to ensure understanding of the guidelines and requirements for the handling and safeguarding of monies. The Principal was instructed to review the monthly reconciliation financial records to check for accuracy and to ensure compliance with policies and procedures.

The Principal, Secretary/Treasurer and back-up Treasurer will attend all available District training/professional developments to enhance their knowledge on policies/procedures as it relates to safeguarding funds, collecting, and depositing of funds.

The Principal will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.

The Central Region Office Financial/Business Operations Administrative Director has directed the Principal to attend 2017-2018 Money DOES Matter Support Program.

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


JDP/JCS

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

MEMORANDUM

August 30, 2017

TO: Jose Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

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

SUBJECT: **SCHOOL OPERATIONS RESPONSE TO SCHOOL AUDITS OF SELECTED SCHOOLS
IN NORTH AND CENTRAL REGION OFFICES**

School Operations has reviewed the audit findings cited in the 2015-2016 fiscal year and 2016-2017 Fiscal year audit reports of the following schools reporting to the North and Central Region Office: Madie Ives Elementary School; and Ada Merritt K-8 Center. The following preventive actions will be taken through School Operations:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls over the collecting, receipting, and safeguarding of collections are followed and monitored.
- Continue to work collaboratively with the Region Offices to facilitate and coordinate Fiscal Review Teams of Principals that will conduct on site reviews to further support schools with fiscal and organizational practices;
- Develop a school site Fiscal Review Protocol to serve as a self-reflection checklist for Principals and as a monitoring tool for the Region Office during site visits.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program.

School Operations will continue to work with principals to promote efficient fiscal practices. If you have any questions, please contact me at 305 - 995-2938.

VGB:cg
M023

cc: Region Superintendent
Ms. Cynthia Gracia
Region Director

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, citizenship status, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

For additional information contact:

Office of Civil Rights Compliance (CRC)
Executive Director/Title IX Coordinator
155 N.E. 15th Street, Suite P104E
Miami, Florida 33132
Phone: (305) 995-1580 TDD: (305) 995-2400
Email: crc@dadeschools.net Website: <http://crc.dadeschools.net>



Miami-Dade County Public Schools

***INTERNAL AUDIT REPORT
SELECTED SCHOOLS/CENTERS
SEPTEMBER 2017***

**Office of Management and Compliance Audits
1450 N. E. 2nd Avenue, Room 415
Miami, Florida 33132
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