

**AUDIT OF
SELECTED SCHOOLS**



JUNE 2006

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Superintendent of Schools

Ms. Carolyn Spaht
Chief of Staff

Mr. Allen M. Vann, CPA
Chief Auditor
Office of Management and Compliance Audits

Contributors to this Report:

School Audits Performed by:

Ms. Yvonne Barrios
Mr. Harry Demosthenes
Ms. Mayte Diaz
Ms. Oria M. Duarte
Ms. Germa Garcia, CPA
Mr. Reginald Lafontant
Ms. Liana Rangel
Ms. Teresita M. Rodriguez, CPA
Ms. Latosha Styles

School Audits Supervised and Report Prepared by:

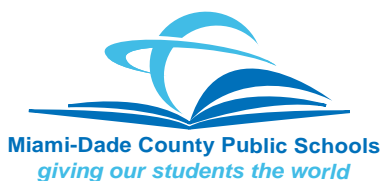
Ms. Maria T. Gonzalez, CPA

School Audits Report Reviewed by:

Ms. Germa Garcia, CPA
Ms. Maria T. Gonzalez, CPA
Mr. Jose Montes-de-Oca, CPA
Ms. Teresita M. Rodriguez, CPA

Property Audits Performed and Supervised by:

Mr. Dario Rosendo, CPA and Property Audits Staff



**INTERNAL AUDIT REPORT
SELECTED SCHOOLS**

JUNE 2006

AUDIT COMMITTEE MEETING

JUNE 27, 2006

SCHOOL BOARD MEETING

JULY 12, 2006

OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Rudolph F. Crew, Ed.D.

Chief Auditor
Allen M. Vann, CPA

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Miami-Dade County School Board
Agustin J. Barrera, Chair
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June 19, 2006

Members of The School Board of Miami-Dade County, Florida
Members of The School Board Audit Committee
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

The Office of Management and Compliance Audits has completed the audits of seven schools from Regional Center III, three schools from Regional Center IV, and two specialized education centers. The audit period was the fiscal year ended June 30, 2005.

The audits included a review of internal funds, property, and payroll records. We reviewed the Community School Program records at those schools having the program, which is accounted through the internal funds. We also reviewed the Purchasing Credit Card Program and the most current "Authorized Applications for Employees by Locations Report" at selected schools. Property inventory results, as well as an analysis of property losses missing through the Plant Security Report process are included herein.

Our audits disclosed that six of the 12 schools in this report were in compliance with prescribed policies and procedures and their internal funds and payroll records were maintained in good order. At one of the six schools with audit exceptions, we discovered a misappropriation of funds in the Before/After Care School Program, which culminated with a confession and subsequent arrest of the staff member responsible for the theft. At another school, a cafeteria manager was not depositing some of the collections from the school cafeteria's a-la-carte sales and was also arrested. At a senior high school, a contractual agreement between a staff member and a vendor did not comply with District policy and we recommended it be terminated. Based on our inquiries with vendors and other senior high schools from the District, it appears, however, that this agreement is one-of-a-kind.

The results of the physical inventories conducted at the schools showed that most schools were in compliance with property procedures. At one school, the administration provided a plan of action to improve controls over the management of property and prevent future losses of equipment. Property losses reported missing through the Plant Security Report Process were minimal, and mostly in the area of computer equipment.

The audit findings noted in this report were discussed with the appropriate Regional Center staff and the principal, whose written response is included in this report and with which we concur. This report will be presented to the Audit Committee at its June 27, 2006 meeting and to the School Board at its July 12, 2006 meeting.

Sincerely,

Allen M. Vann, CPA
Chief Auditor

Office of Management and Compliance Audits

AMV:mtg

TABLE OF CONTENTS

Page
Number

I. INTRODUCTORY SECTION

EXECUTIVE SUMMARY	1
BACKGROUND	5
OBJECTIVES, SCOPE, AND METHODOLOGY	8
SUMMARY SCHEDULE OF AUDIT FINDINGS BY SCHOOL	10
PROPERTY SCHEDULES	
Comparative Property Inventory Results	11
Analysis of Property Losses.....	12
Response to Unlocated Property from Miami Northwestern Senior.....	13
RESPONSES FROM SENIOR MANAGEMENT	
School Operations Associate Superintendent and School Improvement Assistant Superintendent	14
Regional Superintendent at Regional Center III.....	15
Regional Superintendent at Regional Center IV	17
Administrative Director, Division of Life Skills and Special Projects.....	18

II. INDIVIDUAL AUDIT REPORTS

REGIONAL CENTER III SCHOOLS	
Charles R. Drew Middle.....	19
Madison Middle	30
Arcola Lake Elementary	36
William H. Turner Educational Center	41
Miami Northwestern Senior	48
D. A. Dorsey Educational Center.....	51
Corporate Academy North.....	53
REGIONAL CENTER IV SCHOOLS	
Miami Senior.....	55
Kensington Park Elementary	62
Coral Way K-8 Center	69
SPECIALIZED EDUCATION CENTERS	
Neva K. Cooper Educational Center	72
Merrick Educational Center	74

I. INTRODUCTORY SECTION

EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of seven schools from Regional Center III, three schools from Regional Center IV, and two specialized education centers. The audit period was the fiscal year ended June 30, 2005.

The scope of the audit conducted at these schools included the: (1) audit of the financial records for internal funds that includes a review of the community school records at those schools where there was a Community School Program; (2) review of the payroll records and procedures; (3) physical inventory of all property and the review of the procedures to account for and dispose of this property; (4) review of the Purchasing Credit Card Program at four schools; and (5) review of the "Authorized Applications for Employees by Locations Report" at six schools.

While conducting the audit of Miami Senior High School for the 2004-05 fiscal year, we discovered a contract agreement between the Head Coach of the boys' basketball team and a sportswear vendor that did not comply with District policy, and we recommended it be terminated (Refer to individual school report on pages 55-58). The scope of this audit also included visiting selected senior high schools and interviewing school staff and administration, to determine whether they had knowledge or were involved in similar agreements. We also contacted the vendor, as well as several other sportswear vendors to inquire whether they were engaged in similar agreements with other schools. However, based on the results of our inquiries, it appears that the one at Miami Senior High School was the only agreement of its kind.

Financial Statements and Control over Financial Reporting

The financial statements of 11 of the 12 schools in this audit report present fairly, in all material respects, the changes in fund balances arising from cash transactions of the schools during the 2004-05 fiscal year, on the cash basis of accounting. However, in our opinion, with the exception of the Before/After School Care Program deficiencies noted, the financial statement of Kensington Park Elementary otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions of the schools during the 2004-05 fiscal year, on the cash basis of accounting.

As of June 30, 2005, the internal controls at the schools in this report generally functioned as designed by the District administration and implemented by the schools, except for the conditions noted at Kensington Park Elementary, as discussed in the individual audit report and in the Summary section below.

Summary of Audit Findings

- o Records were maintained in good order and in accordance with prescribed policies and procedures at six of the 12 schools in this report (See Schedule on page 10).

EXECUTIVE SUMMARY (Continued)

- **We commend the administration and staff of these schools, as well as the corresponding Regional Centers and District staffs, for supporting the schools' efforts to strive for excellence in this area.**

Internal Funds

- o At Charles R. Drew Middle, an investigation requested by the Office of Professional Standards disclosed that a former cafeteria manager at the school instructed the cashiers not to ring-up some a-la-carte sales and kept the proceeds. The former cafeteria manager was arrested by M-DCPS Police and the case was referred to the State Attorney's Office. She was ordered to perform community service and make restitution to M-DCPS, as part of the agreement with the State Attorney's Office. Management is pursuing further disciplinary action. We also noted several discrepancies in the records and revenues corresponding to some of the fund-raising and school activities reviewed (Pages 19-23). The administration concurred with our findings. See responses from senior management on pages 14-16; and responses from the principal on pages 24-29.
- o At Madison Middle, the school conducted several fund-raising activities and used admission tickets to control admissions to the events; however, we were unable to verify whether potential sales were fully realized because the school could not provide an invoice or affidavit to independently establish the number of tickets purchased, and the tickets used did not bear an admissions price. A similar finding was discussed with the school administration during the prior audit. We extended our review to the 2005-06 fiscal year, which revealed similar conditions (Pages 30-33). The administration concurred with our findings. See responses from senior management on pages 14-16; and responses from the principal on pages 34-35.
- o At Arcola Lake Elementary, the checking account balance was not reconciled to the MSAF system's balance for five months during the 2005-06 fiscal year; interest revenue was not posted on time during the 2005-06 fiscal year; checks issued in November and December 2005 were not always posted to the MSAF on a timely basis; and disbursement records were incomplete (Pages 36-38). The administration concurred with our findings. See responses from senior management on pages 14-16; and responses from the principal on pages 39-40.
- o At William H. Turner Educational Center, our verification of student attendance and enrollment at several off-campus/satellite classes disclosed instances where students were marked on the attendance rosters as attending two separate classes at the same time. It also disclosed a low attendance record in some of these classes. Also, a satellite/off campus visitation log documenting the school administration's monitoring efforts was not evident (Pages 41-45). The administration concurred with our findings. See responses from senior management on pages 14-16; and responses from the principal on pages 46-47.

EXECUTIVE SUMMARY (Continued)

- o At Miami Senior High, under the former school administration, the Head Coach of the boys' basketball team entered into a three-year agreement with a sportswear vendor to receive monetary compensation for the school, uniforms and sportswear for the team, and complimentary sportswear for the coach, his staff, and their immediate families. In turn, the team and coaches were required to exclusively represent the vendor's product during all team activities; while the team and players were also required to play and participate on events designated by the vendor. Because this agreement is not compliant with School Board policy, we recommended that the school administration work with the Board Attorney's Office to terminate this agreement and obtain guidance on structuring future agreements (Pages 55-58). The administration concurred with our findings. See responses from senior management on pages 14, 17, and 18; and responses from the current principal on pages 59-60, and from the former principal on page 61.
- o At Kensington Park Elementary, our audit of the After School Care Program for the 2004-05 fiscal year and 2005-06 fiscal year up to February 2006 uncovered a shortfall of revenues as well as serious irregularities in the records. The clerk responsible for the collection of fees and the maintenance of the records confessed to the auditors to misappropriation of funds. She was later arrested and charged with grand theft. We are of the opinion that, in addition to the misappropriation of funds, the shortfall resulted from a lack of oversight over the management, as well as over the collection and recordkeeping functions of the program (Pages 62-65). The administration concurred with our findings. See responses from senior management on pages 14 and 17; and responses from the principal on pages 66-68.
 - **We recommend that the corresponding Regional Center, School Improvement, and District offices closely monitor the school's adherence to the procedures in the Manual of Internal Fund Accounting to prevent recurrence of these findings.**

Payroll

- o At Charles R. Drew Middle, leave cards were incomplete or not evident; and there were discrepancies between the attendance reported on the Final Rosters and the Daily Payroll Attendance Sheets for both hourly-paid and daily-paid employees. The necessary corrections were made at the request of the auditor (Pages 19-23). The administration concurred with our findings. See responses from senior management on pages 14-16; and responses from the principal on pages 24-29.
 - **We recommend that the Regional Center III and School Improvement offices closely monitor the schools' adherence to the procedures in the Payroll Processing Procedures Manual to prevent recurrence of these findings.**

EXECUTIVE SUMMARY (Continued)

Property

- o Physical inventories of property items with an individual cost of \$1,000 or more were conducted at 11 of the 12 schools in this report. We are also including the results of two specialized centers whose property inventories were pending until now. Approximately \$15.8 million was inventoried at these 13 schools (Page 11). The property inventory of Neva K. Cooper Educational Center was in progress at the time of this publication, and results will be published during the next fiscal year.
- o Results indicated that 10 of the 13 schools included herein were in compliance with property procedures and there were “no unlocated” items. At three schools there was a total of 12 items at a cost of \$26,407 and a depreciated value of \$6,318 reported as unlocated (Page 11). As result of the unlocated items reported at Miami Northwestern Senior, the co-principals provided a written plan of action delineating the initiatives taken at that school to prevent future losses of equipment (Page 13). In addition, property losses reported through the Plant Security Report process showed ten items at a cost of \$17,365 and a depreciated value of \$8,290 reported missing at seven schools (Page 12).
 - **We commend the administration and staff of those schools that fully complied with property procedures, and whose property items were properly accounted for; and we commend the corresponding Regional Center and District staffs, for supporting the schools’ efforts to strive for excellence in this area. However, at the schools where property items were unaccounted for, we recommend that the corresponding Regional Center and District offices closely monitor the schools’ adherence to the procedures in the Manual of Property Control Procedures to prevent recurrence of this finding.**

Purchasing Credit Card Program

- o A review of the Purchasing Credit Card Program’s records and procedures at four schools disclosed that there was general compliance with the Purchasing Credit Card Program Policies & Procedures Manual.

Data Security Quarterly Management Report And Approval Review

- o Our review of the “Authorized Applications for Employees by Locations Report” at six schools disclosed that the reports were signed by the principals to indicate that employees were properly authorized to access certain computer applications; and the computer application that allows for academic grade changes was generally limited and restricted to the principal, one assistant principal, and the registrar.
 - **We commend the administration and staff of these schools, as well as the corresponding Regional Center, School Improvement, and District offices for supporting the schools’ efforts to strive for excellence in these areas.**

BACKGROUND

The Office of Management and Compliance Audits has performed the audits of the schools enumerated in the Table of Contents section of this report, as required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087, which requires an annual audit 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. Internal funds monies are collected in connection with summer program activities, school athletic events, fund-raising activities, gifts and contributions made by the band or athletic booster clubs, civic organizations, parent-teacher organizations, and commercial agencies and all other similar monies, properties or benefits.

Prior to spending internal funds some schools invest their cash in designated depositories, while others invested them in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2005 was 3.25%.

The principal of each individual school, and his/her staff, are primarily responsible for performing the actual internal accounting functions in accordance with the Manual of Internal Fund Accounting and maintaining adequate internal controls. The financial statements are similarly the responsibility of management and were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

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

Payroll

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

Each school processes its own biweekly payrolls. Timekeeping personnel enter the employees' time and attendance data, on a centralized information system. After the information is entered into the system, it is approved by the principal on-line. Subsequently, the payroll department reviews the information and processes the payroll. Once the checks/advices are printed, they are distributed throughout the District by Treasury Management.

Purchasing Credit Card (P-Card) Program

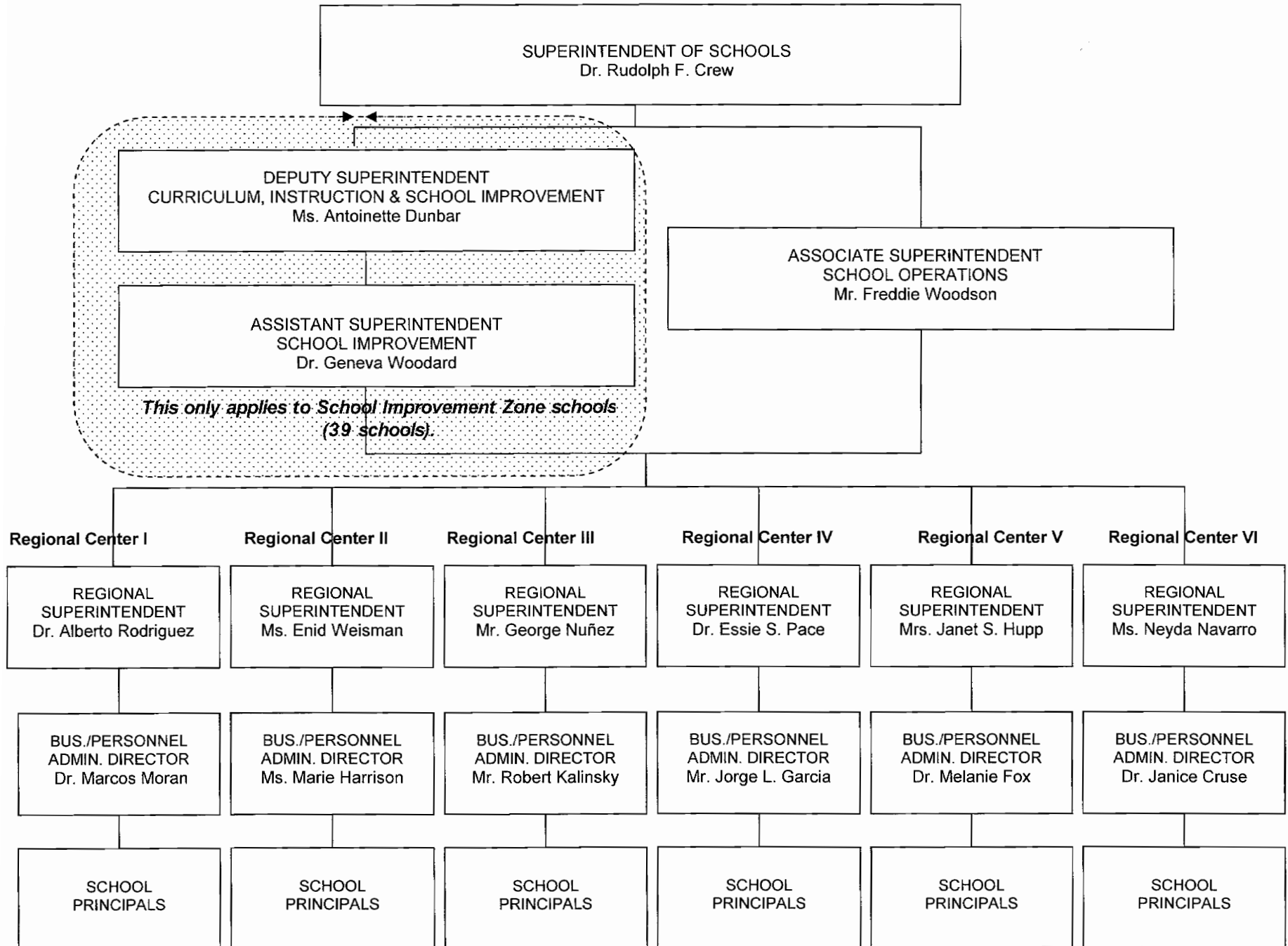
At the schools, the principal administers the credit card program, which must comply with the guidelines established in the Purchasing Credit Card Program Policies & Procedures Manual.

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

Data Security Quarterly Management Report and Approval Review

Principals are responsible to ensure that only authorized school staff has access to designated computer applications. Information Technology Services (ITS) produces a quarterly report for each school location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this quarterly report to determine the appropriateness of computer applications approved for each school 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 at their schools.

ORGANIZATION CHART SCHOOL OPERATIONS



OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the Audit Plan for the 2005-06 Fiscal Year, the Office of Management and Compliance Audits has audited the financial statements for the fiscal year ended June 30, 2005 of the schools listed in the Table of Contents section of this report.

The objectives of our audits were to:

- express an opinion on the financial statements of the schools;
- evaluate compliance by the schools with the policies and procedures prescribed by the Manual of Internal Fund Accounting;
- evaluate the internal control at the schools to determine the extent to which the control components promote compliance with the policies and procedures prescribed by the Manual of Internal Fund Accounting;
- provide assurances to the administration regarding compliance with current payroll procedures, as well as compliance with the current purchasing credit card programs procedures; and that certain information technology controls are in place.

In addition to the audit of internal funds we performed the following:

- An inventory of **all** property items with an individual value of \$1,000 or more was taken at the schools to verify compliance with the Manual of Property Control Procedures.
- A review of selected payroll procedures **currently in effect** at **all** the schools to evaluate the propriety of the preparation and processing of the payroll, and to determine adherence to the Payroll Processing Procedures manual.
- A review of the purchasing credit card program records and procedures **currently in effect** was made at **selected** schools to determine compliance with the Purchasing Credit Card Program Policies & Procedures Manual.
- A review of Information Technology Services (ITS) "Authorized Applications for Employees by Locations Report" at **selected** schools to ascertain that they are currently being reviewed and signed by the principal and that, according to these reports, access to academic grade changes via the computer system is limited and restricted.

We conducted our audits in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. We planned and performed the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Using sampling techniques, we selected and tested a representative sample of receipts and disbursements

of all the audited schools. We also analyzed selected activities where the schools generated significant resources. The results of our property audits reported herein were in all material respects similarly conducted in accordance with the generally accepted government auditing standards, with the exception of the continuing professional education requirement not followed by our property auditors.

Internal Controls

In planning and performing our audits, we obtained an understanding of the internal control components established by the District administration. We documented our understanding of the internal control and assessed control risks. Our purpose in obtaining an understanding of the internal control and assessing control risks was to determine the nature, timing and extent of substantive tests of procedures to be performed. We ascertained what control policies and procedures were placed in operation by the school(s) administration concerning the reliability of financial reporting, especially those relevant to cash receipts and disbursements and the safeguarding of assets as of June 30, 2005.

The scope of our audits also included an assessment of the controls in place at the schools to promote compliance with applicable laws, administrative rules, and District policies as codified in the Manual of Internal Fund Accounting, which contains the procedures established to control the use of the internal funds. The internal control environment at the schools is generally characterized by a lack of segregation of incompatible accounting duties, which are typically performed by the bookkeeper/treasurer including collecting, receipting, and depositing funds, as well as posting and reconciling the books. This condition, which we consider to be a material weakness, results from the small size of the office staff, and is offset by the close supervision generally provided by the principal, who is the administrator responsible for all aspects of the operation of the school. We appropriately respond to these risks through the level of audit testing performed for each of the aforementioned categories. To the extent that grants and donations were received, we performed such tests as deemed appropriate in the circumstances to ensure that internal controls over financial reporting were adequate.

Reportable conditions are covered in the individual audit report of the school where the conditions were noted, as well as summarized in the **Summary of Audit Findings section within the Executive Summary** of this report. 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.

SCHEDULE OF AUDIT FINDINGS

**SELECTED SCHOOLS
SUMMARY SCHEDULE OF AUDIT FINDINGS BY SCHOOL**

Work Location No.	Schools	Page No.	CURRENT YEAR AUDIT FINDINGS		PRIOR YEAR AUDIT FINDINGS	
			Total per School	AREA OF FINDINGS	Total per School	AREA OF FINDINGS
REGIONAL CENTER III SCHOOLS						
6141	Charles R. Drew Middle ⁽¹⁾⁽²⁾	19	3	<ul style="list-style-type: none"> • Caf./Food serv. • Fund-raising • Payroll 	None	
6391	Madison Middle ⁽¹⁾⁽²⁾⁽³⁾	30	1	<ul style="list-style-type: none"> • Fund-raising 	None	
0101	Arcola Lake Elementary	36	1	<ul style="list-style-type: none"> • Fin. Mgt. 	None	
7601/7602	W. H. Turner Ed. Ctr. ⁽¹⁾⁽⁴⁾	41	1	<ul style="list-style-type: none"> • Off-campus Class Verification 	None	
7411	Miami Northwestern Sr. ⁽¹⁾⁽²⁾	48	None		7	<ul style="list-style-type: none"> • Fin. Mgt. • Pren. Forms • Disbursements • Yearbook • Fund-raising • Ath. Tickets • Prod. Shops
8139	D. A. Dorsey Ed. Ctr. ⁽³⁾	51	None		None	
8161	Corporate Academy North	53	None		None	
REGIONAL CENTER IV SCHOOLS						
7461	Miami Senior ⁽¹⁾⁽³⁾	55	1	<ul style="list-style-type: none"> • Sponsorship agreement 	None	
2661	Kensington Park El.	62	1	<ul style="list-style-type: none"> • B/ASC Prog. 	None	
1121	Coral Way K-8 Center ⁽¹⁾⁽³⁾	69	None		None	
SPECIALIZED CENTERS						
0921	Neva K. Cooper Ed. Ctr.	72	None		None	
9732	Merrick Ed. Center	74	None		None	
	TOTAL		8		7	

Notes:

- (1) "Authorized Applications for Employees by Locations" Report reviewed at this school (6 schools).
- (2) School Improvement Zone school (3 schools).
- (3) Purchasing Credit Card Program records and procedures reviewed at this school (4 schools).
- (4) Center is both a senior high school and an adult/vocational education center (1 center).

PROPERTY SCHEDULES

**SELECTED SCHOOLS AND CENTERS
CURRENT PROPERTY INVENTORY RESULTS
(COMPARATIVE PROPERTY INVENTORY RESULTS)**

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. of Unloc. Items	Dollar Value
				No. of items	At Cost	At Deprec. Value		
REGIONAL CENTER III SCHOOLS								
6141	Charles R. Drew Middle	434	\$ 714,783	None		-	None	
6391	Madison Middle	550	804,060	2	\$ 3,952	\$ 520	None	
0101	Arcola Lake Elementary	273	390,263	None		-	None	
7601/7602	William H. Turner Ed. Ctr.	2,035	4,491,759	None		-	None	
7411	Miami Northwestern Sr. ⁽¹⁾	1,761	3,286,644	8	18,249	5,170	None	
8139	D.A. Dorsey Ed. Center	504	805,494	None		-	None	
8161	Corporate Academy No.	228	319,276	None		-	None	
REGIONAL CENTER IV SCHOOLS								
7461	Miami Senior High	1,169	1,882,794	None		-	None	
2661	Kensington Park El.	568	681,121	None		-	None	
1121	Coral Way K-8 Center	423	696,200	None		-	None	
OTHER CENTERS								
0921	Neva King Cooper Ed. Ctr. ⁽²⁾	--						
8181	Ruth Owens Kruse' Ed. Ctr. ⁽³⁾	406	667,477	None		-	None	
9732	Merrick Educational Center	211	387,338	None		-	None	
8151	Robert Renick Ed. Ctr. ⁽⁴⁾	334	666,665	2	4,206	628	None	
	TOTAL	8,896	\$ 15,793,874	12	\$ 26,407	\$ 6,318	None	-

Notes:

- (1) See written response from co-principals regarding improved controls over property management at page 13.
- (2) Property inventory currently in progress. Results will be published at a later date, in the 2006-07 fiscal year (1 school).
- (3) Audit results were previously published.
- (4) Audit results will be published at a later date.

**SELECTED SCHOOLS AND CENTERS
ANALYSIS OF PROPERTY LOSSES PER PLANT SECURITY REPORTS
SINCE PRIOR PHYSICAL INVENTORY**

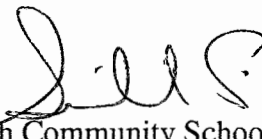
Work Location No.	Schools	No. Of Plant Security	Total Items	Total Amount At Cost	CATEGORY (AT COST)		Total Depreciated Value
					Audio Visual	Computers	
REGIONAL CENTER III							
6391	Madison Middle	1	1	\$ 2,500	\$ 2,500		\$ 1,870
7601/7602	William H. Turner Ed. Center	1	1	1,875	1,875		1,672
8161	Corporate Academy North	1	1	1,090		\$ 1,090	418
REGIONAL CENTER IV							
2661	Kensington Park Elementary	1	1	1,851		1,851	1,511
OTHER CENTERS							
8181	Ruth Owens Kruse' Educ. Center	1	2	3,750		3,750	-
9732	Merrick Educational Center	3	3	4,930		4,930	1,989
8151	Robert Renick Education Center	1	1	1,369		1,369	830
	TOTAL	9	10	\$ 17,365	\$ 4,375	\$ 12,990	\$ 8,290

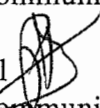
Note: Schools with no property reported missing through the Plant Security Report Process are excluded from this schedule.

MEMORANDUM

May 30, 2006

TO: Mr. George A. Nuñez, Assistant Superintendent
Regional Center III

FROM: Guillermo Muñoz, Co-Principal 
Miami Northwestern Senior High Community School

Paulette Covin-Fredrik, Co-Principal 
Miami Northwestern Senior High Community School

SUBJECT: UNLOCATED PROPERTY

This memorandum is being written in response to the Physical Inventory Audit findings for 2005-2006. The audit revealed \$18,249.00 in property losses. These identified losses were mainly in band and audio visual equipment. These losses were mainly attributable to the lack of transition between employees who assumed these responsibilities during the year.

Miami Northwestern Senior High School staff has taken the following corrective/preventive actions in an effort to avoid future occurrences:

1. Conduct a property control inventory quarterly and/or at any time a personnel transition period is eminent.
2. Conduct self mini-audits on a quarterly basis. Employ an organizational management system identifying the location of each piece of equipment on the property location computer-generated document.
3. Develop, implement and monitor an organizational management system to include a database of the school's property items to easily locate any equipment in the event items are moved from location.
4. In the event, property is unlocated, property control report will be filled out, processed and filed in a centralized and secured location.

Should you need additional information, please contact either of the co-principals at 305-693-5088.

cc: Dr. Daniel Tosado
Mr. Jose Montes de Oca
Dr. Ruby Johnson
Mr. Robert Kalinsky

RESPONSES FROM SENIOR MANAGEMENT

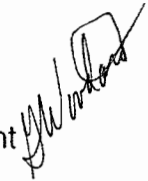
MEMORANDUM

June 8, 2006

TO: Mr. Allen Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Freddie Woodson, Associate Superintendent
School Operations

Geneva K. Woodard, Ed.D, Assistant Superintendent
School Improvement




SUBJECT: RESPONSES FOR SELECTED SCHOOLS AND SCHOOL IMPROVEMENT ZONE SCHOOLS IN REGIONAL CENTERS III AND IV FOR INTERNAL FUNDS FOR 2004-2005 AND/OR UNLOCATED PROPERTY AUDITS FOR 2005-2006

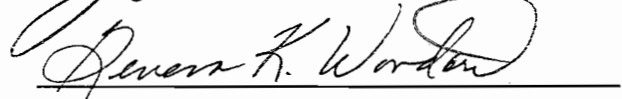
Please find attached responses for selected schools and School Improvement Zone Schools in Regional Center III for Internal Funds for 2004-2005 and/or unlocated property audits for 2005-2006 for the following selected schools in Region III:

- √ Arcola Lakes Elementary
- √ William H. Turner Technical
- √ Charles Drew Middle School (SIZ)
- √ Madison Middle School (SIZ)
- √ Miami Northwestern Senior High School (SIZ)(Property Management)
- √ Kensington Park Elementary School
- √ Miami Senior High School

We concur with the assistance that the Regional Superintendent plans to provide to the affected personnel at these schools. The office of School Operations and School Improvement Zone will continue the practice of monitoring the ongoing actions of the administrators at these locations to prevent and eliminate future audit exceptions in internal funds and property management.



FW



GW

FW:msh
M492

Attachments

cc: Mr. George A. Núñez
Mr. Jose Montes deOca
Ms. Marie Gonzalez

REGIONAL CENTER III

MEMORANDUM

June 5, 2006
GAN#441/2005-2006
(305) 883-0403

TO: Mr. Freddie Woodson, Associate Superintendent
School Operations

Dr. Geneva Woodard, Assistant Superintendent
School Improvement Zone

FROM: George A. Núñez, Regional Superintendent
Regional Center III

SUBJECT: RESPONSES FOR SELECTED SCHOOLS AND SCHOOL IMPROVEMENT ZONE SCHOOLS IN REGIONAL CENTER III FOR INTERNAL FUNDS FOR 2004-2005 AND/OR UNLOCATED PROPERTY AUDITS FOR 2005-2006.

Please find attached the schools' responses to the internal funds audits for the 2004-2005 fiscal year and to the property audit for the 2005-2006 fiscal year for the following schools:


- Arcola Lakes Elementary School
- William H. Turner Education Center
- Charles Drew Middle School (School Improvement Zone)
- Madison Middle School (School Improvement Zone)
- Miami Northwestern Senior High School (School Improvement Zone) (Property)

The audit responses for the above-mentioned schools have been reviewed by Regional Center III administrators. In order to address the audit exceptions cited in the drafts of the audit reports submitted by the Office of Management and Compliance Audits, Regional Center III administrators will implement the following support activities to prevent recurrence of audit exceptions:

- The principals will include job targets addressing fiscal management as part of the Performance Planning and Assessment System where progress points and evidence of progress will be required for identified business practices.
- Regional Center III will conduct mini-audit reviews to ensure compliance with internal funds and payroll procedures at the schools during the 2006-2007 school year.
- A three-year historical audit review will be conducted to identify and monitor frequently cited deficiencies and corrective/preventive strategies.

- The Regional Center III Administrative Director/Business will review selected areas of the internal funds as they relate to enrollment verification of adult classes and will assist the principals on an ongoing basis.
- The Regional Center III Administrative Director/Business will review property accounting procedures periodically and will assist the principals on an ongoing basis.
- A mentor treasurer/payroll clerk will be assigned to assist affected schools.
- Mini-audit reviews for compliance with The Adult and Applied Technology Procedures Manual will be conducted at William H. Turner Education Center during the 2006-2007 school year to ensure all policies and procedures for enrollment verification of adult classes are followed.

Should you need additional information, please contact me at (305) 883-0403. Thank you for your support and assistance.

 GAN

GAN/RK:ja
Attachments

cc: Mr. Robert Kalinsky
Dr. Gwendolyn Coverson
Dr. Paulette Covin-Fredrik
Ms. AnneMarie Duboulay
Ms. Cecilia Hunter
Mr. Guillermo Muñoz
Ms. Valmarie Rhoden

MEMORANDUM

June 14, 2006
ESP# 371/2005-06

TO: Mr. Freddie Woodson, Associate Superintendent
School Operations

From:  Essie S. Pace, Regional Superintendent
Regional Center IV

**SUBJECT: RESPONSES TO INTERNAL FUNDS AUDIT OF KENSINGTON
PARK ELEMENTARY SCHOOL AND MIAMI SENIOR HIGH
SCHOOL FOR FISCAL YEAR 2004-2005**

Please find attached the responses to the internal funds audits for the 2004-2005 fiscal year for the following schools:

- Kensington Park Elementary School
- Miami Senior High School

Regional Center IV has reviewed the audit responses for Kensington Park Elementary School and Miami Senior High School. As a result to the audit exceptions cited, the following support activities will be implemented at the regional level:

- The affected principals will be required to address specific fiscal management in their 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 affected principals will have regional/district mini audits reviews conducted each semester for internal funds procedures, at their schools during the 2006-2007 school year.
- The Regional Center IV Administrative Director/Business will review selected areas of the internal funds and sponsorship agreements to the affected schools during the 2006-2007 school year. The Regional Center IV Administrative Director/Business will provide additional support and assistance to the affected schools during the 2006-2007 school year.
- A mentor principal, payroll clerk or treasurer will be assigned to affected personnel.

If you need additional information, please contact me at (305) 642-7555. Thank you for your continued support and assistance.

Cc: Mr. Jorge L. Garcia

MEMORANDUM

June 14, 2006

TO: Mr. Allen M. Vann, Chief Auditor
Management & Compliance Audits

FROM: Lilia Garcia, Administrative Director 
Division of Life Skills and Special Projects

SUBJECT: AUDIT EXCEPTION AT MIAMI SENIOR HIGH SCHOOL (WL 7461)

I am in receipt of the response to the audit exception at Miami Senior High School, Work Location #7461, as submitted by Mr. Victor Lopez, presently serving as Executive Director, Division of Life Skills, Work Location #9607.

Mr. Lopez and I have met to review his response and possible implications to his present position. We both agreed that in case he returns to a school site as principal or if faced with a similar case at the District level, the action steps to be taken are to:

- ◆ Schedule a meeting with appropriate personnel to ascertain that contract(s) follow all Board rules.
- ◆ Set a job target to prevent recurrence of future audit exceptions.
- ◆ Conduct monthly meetings with personnel responsible for implementing contracts.
- ◆ Review the Manual of Internal Fund Accounting with appropriate personnel as it relates to outside booster club activities.
- ◆ Ensure that school or present assignment is in compliance with all GMAC rules and regulations and contract policies.

I am assured by Mr. Lopez that he understands the procedures to be followed in order not to repeat an audit exception and that he will follow these procedures at a school site if so assigned as well as in his new position.

Should you have any questions, please do not hesitate to call me at 305.995.1912.

LG/pma
M241

cc: Dr. Carmen B. Marinelli
Mr. Jorge L. Garcia
Mr. Victor Lopez

II. INDIVIDUAL AUDIT REPORTS

REGIONAL CENTER III SCHOOLS

CHARLES R. DREW MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL*

Address: 1801 N. W. 60 Street, Miami, Florida 33142

Date School Established: 1967

Grades: 6-8

Principal: Dr. Gwendolyn Coverson

Treasurer: Ms. Angela Chaney

Community School Assistant Principal: Mr. Clinton Neilly

Community School Secretary: Ms. Barbara Dejoie

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A.	--	1.37	\$ 23,335.65
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>12,568.96</u>
TOTAL			<u><u>\$ 35,904.61</u></u>

*School Improvement Zone School.

CHARLES R. DREW MIDDLE SCHOOL (Continued)

Property and Data Security

Property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with.

Internal Funds

Notwithstanding the exceptions below, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balance arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration, except as noted below. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except as noted below. 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.

The following exceptions were noted:

Cafeteria/Food Services

1. A forensic audit requested by the Office of Professional Standards disclosed that a former cafeteria manager at the school instructed the cashiers not to ring-up some a-la-carte sales and kept the proceeds. Approximately \$1,300 was not reported or deposited; however, we were unable to determine the exact amount because many of the records needed were missing. The former cafeteria manager was arrested by M-DCPS Police and the case was referred to the State Attorney's Office. The former cafeteria manager was ordered to perform 100 hours of community service and make restitution of \$1,300 to M-DCPS, as part of the agreement with the State Attorney's Office. Management is pursuing further disciplinary action.

CHARLES R. DREW MIDDLE SCHOOL (Continued)

Fund-Raising Activities

2. Our review of fund-raising activities disclosed the following discrepancies:
 - a. We noted a difference of \$994 between potential revenues of \$17,479 and deposits of \$16,485 posted to the Eighth Grade-End of the Year Activities account. We based our analysis on the number of meals purchased and on information provided by the sponsor of the activity, since pre-numbered tickets were not used to control admissions to the different activities.
 - b. The school held a Personality Pictures activity and funds were erroneously posted to the General Fund-School Pictures account instead of a Classes and Clubs Fund-Personality Pictures account. Furthermore, 50% of the profits or \$706 was erroneously transferred to the Trust Fund-Special Purpose account. Also, according to the signed bid, the school should have received a 35% commission; however, only a 30% commission was received. The photographer owes the school \$235.
 - c. Student Activity Operating Reports for the Eighth Grade-End of the Year activities, the Personality Pictures activity, and a Science Board fund-raiser were not prepared.
 - d. Collections from several of the activities reviewed were sometimes commingled with collections from other activities, thus making it difficult to identify and verify the collections for each of the individual activities.

Section IV, Chapter 2 of the Manual of Internal Fund Accounting establishes the procedures for conducting fundraising activities. We recommend compliance with established requirements.

Payroll

3. Our review of current payrolls records disclosed the following discrepancies:
 - a. Personnel leave records were incomplete. There were 24 instances where leave cards were not evident or did not indicate the type of leave taken. Because the type of leave taken was not always properly documented on the Daily Payroll Attendance Sheets either, we were unable to verify that the correct type of leave was reported.
 - b. There were 19 instances where the Daily Payroll Attendance Sheets and/or leave cards did not agree with the attendance reported on the Final Rosters. In five of those instances, corrections were made to properly report the leave taken. Other corrections were made to correct payroll records that were incomplete or erroneous.

CHARLES R. DREW MIDDLE SCHOOL (Continued)

- c. There were six instances where employees did not indicate their presence or hours worked on the Daily Payroll Attendance Sheets. According to the school administration, all employees were present, including the two employees who worked off-campus. Their sign-in sheets were faxed at the request of the auditor to show they had worked the days in question.

The necessary corrections were made at the request of the auditor. Chapter 1 of the Payroll Processing Procedures Manual establishes the procedures for properly processing and maintaining payroll. We recommend compliance with these procedures and closer monitoring of the payroll function by the school administration.

ACCESS CENTER III
 SCHOOL - 6141 CHARLES R. DREW MIDDLE


FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	.00	.00	75.00	75.00	.00
MUSIC	340.24	940.00	795.00	.00	485.24
CLASSES AND CLUBS	11,555.76	34,687.73	34,259.40	2,633.51-	9,350.58
TRUST	5,931.42	8,242.95	13,390.69	3,353.33	4,137.01
PROPERTY DEPOSITS	403.83	525.00	320.25	1,628.62	2,237.20
INSTRUCTIONAL AIDS	528.00	.00	.00	528.00-	.00
GENERAL	1,787.36	9,700.97	6,590.73	704.56	5,602.16
INSTRUCTIONAL MATE	9,083.19	31,686.03	27,091.16	2,600.00-	11,078.06
COMMUNITY SCHOOL	2,299.61	92,613.25	91,898.50	.00	3,014.36
TOTAL	31,929.41	178,395.93	174,420.73	.00	35,904.61

CHECKING	23,335.65	INVESTMENTS	.00	SBMMF	12,568.96	TOTAL	35,904.61
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

May 19, 2006

TO: Mr. George A. Núñez, Regional Superintendent
Regional Center III

FROM: Gwendolyn Coverson, Principal 
Charles R. Drew Middle School

SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT OF CHARLES R. DREW MIDDLE SCHOOL- FOR THE 2004-2005 SCHOOL YEAR

As principal of Charles R. Drew Middle School, a thorough review of the internal funds audit report for the 2004-2005 school year was conducted with the appropriate school personnel. Additionally, the principal held a meeting with the treasurer to discuss Section IV, Chapter 2 of the Manual of Internal Fund Accounting (May 2006);, which establishes the procedures for financial management and Chapter I of the Payroll Procedures Manual.

The principal has implemented corrective and preventive strategies to avoid recurrences of similar conditions in future audits. A more active role in monitoring the treasurer, payroll clerk and food service manager will be taken by the principal. The principal has taken the necessary steps to ensure that food service employees are monitored on a regular basis to ensure that Food and Nutrition Policies and Procedures are followed.

The principal will take the necessary steps to properly monitor payroll and ensure procedures are followed as per Chapter 1 of the Payroll Procedures Manual.

All fund raising activities will be held in accordance with Section IV, Chapter 2 of the Manual of Internal Fund Accounting, which establishes procedures for conducting fund raising activities.

Should you have any questions, please do not hesitate to contact me at 305-633-6057.

GC:amp

cc: Mr. Robert Kalinsky

**CHARLES R. DREW MIDDLE COMMUNITY SCHOOL
DR. GWEN S. COVERSON, PRINCIPAL
Action Plan for the Fiscal Year 2004-2005 Audit Exceptions**

AUDIT RESPONSES			
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTIVE MONITORING STRATEGIES	PERSON(S) RESPONSIBLE
Police Investigation	<ul style="list-style-type: none"> • The principal requested that the Food and Nutrition Department provide monthly meetings with the cafeteria staff pertaining to Food and Nutrition Procedures. (May 2006) • Administrators were directed to attend these meetings to gain a better understanding of Food and Nutrition Policies and Procedures Manual and to ensure that all policies and procedures are being implemented by the cafeteria staff. (May 2006) • The principal directed the Food Service Manager to present records for review on a weekly basis. (May 2006) • A temporary cafeteria manager has been assigned to Charles R. Drew Middle School and has been given a copy of Food and Nutrition's Policies and Procedures Manual. Signature of receipt of said document has been secured by the principal. The temporary cafeteria manager has been directed to follow procedures as prescribed by the Department of Food and Nutrition. (May 2006) 	<ul style="list-style-type: none"> • The principal will review food service documents on a weekly basis. Errors will be noted and the Food Service Manager will be directed to make the necessary corrections. • The principal will attend meetings with food services employees on a regular basis to monitor the program to ensure compliance. • The principal will review records with the Food Service Coordinator and the Food Service Manager on a regular basis. 	<p>Principal Assistant Principal Cafeteria Manager Food & Nutrition Coordinator</p> <p>Principal Assistant Principal Food Service Manager</p> <p>Principal Food Service Manager Food & Nutrition Coordinator</p>

**CHARLES R. DREW MIDDLE COMMUNITY SCHOOL
DR. GWEN S. COVERSON, PRINCIPAL
Action Plan for the Fiscal Year 2004-2005 Audit Exceptions**

AUDIT RESPONSES			
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTIVE MONITORING STRATEGIES	PERSON(S) RESPONSIBLE
Payroll	<ul style="list-style-type: none"> • The principal discussed the audit findings with the payroll clerk, the designated assistant principal, and the back-up payroll clerk. The principal also reviewed the <u>Payroll Processing Procedures</u> manual, specifically areas of deficiency found by the auditor, in order to avoid recurrence. (May 2006) • The principal directed the payroll clerk to pay close attention to the proper maintenance of the daily attendance sheets, to check that employees are signing in and when employees have taken leave that the roster reflects the type of leave and that leave cards are attached to the appropriate documents supporting the employee's leave. (May 2006) • The principal directed the payroll and back-up payroll clerks to match the Daily Payroll Attendance Sheets to the working payroll roster, substitute log, and leave cards before submitting the payroll to the designated assistant principal, who will review the payroll prior to submitting to the principal for final 	<ul style="list-style-type: none"> • The principal will review the Daily Payroll Attendance Sheets, the working roster, substitute log, and leave cards with the designated assistant principal once the payroll clerk submits these items. Errors will be noted and the clerk will make the necessary corrections immediately. The principal will review the daily payroll attendance sheets weekly. • The principal will randomly check the Daily Payroll Attendance Sheets to ensure that the clerk is noting the type of leave for absent employees on a regular basis. • The principal, in order to avoid reporting days or hours not supported by the Daily Payroll Attendance Sheets, will not submit time for employees not adhering to proper payroll procedures. Any necessary corrections will be done as write-ins. 	<p>Principal Assistant Principal Payroll Clerk</p> <p>Principal Assistant Principal Payroll Clerk</p> <p>Principal Assistant Principal Payroll Clerk</p>

**CHARLES R. DREW MIDDLE COMMUNITY SCHOOL
DR. GWEN S. COVERSON, PRINCIPAL
Action Plan for the Fiscal Year 2004-2005 Audit Exceptions**

	approval. (May 2006)		
AUDIT RESPONSES			
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTIVE MONITORING STRATEGIES	PERSON(S) RESPONSIBLE
Payroll (con't)	<ul style="list-style-type: none"> • The principal directed the payroll clerk to pay close attention to early reporting of the payroll. The principal directed the payroll clerk to ensure that adjustments and corrections are made immediately after the early payroll is processed. (May 2006) • The principal held a faculty meeting to stress the importance of employees noting their daily attendance on the Daily Payroll Attendance Sheets. The principal or designated assistant principal will notify staff members who have not signed in for a particular day. (May 2006). 	<ul style="list-style-type: none"> • The principal will immediately correct any errors detected during the final review of payroll and will discuss these with the payroll clerk, back-up payroll clerk, and the designated assistant principal to eliminate a recurrence of this in the future. The principal will not approve final payroll until all errors are corrected. • The principal will notify employees in writing should they fail to sign in on a regular basis. 	<p>Principal Assistant Principal Payroll Clerk</p> <p>Principal Assistant Principal</p>

**CHARLES R. DREW MIDDLE COMMUNITY SCHOOL
DR. GWEN S. COVERSON, PRINCIPAL
Action Plan for the Fiscal Year 2004-2005 Audit Exceptions**

AUDIT RESPONSES			
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTIVE MONITORING STRATEGIES	PERSON(S) RESPONSIBLE
Fundraising activities	<ul style="list-style-type: none"> • The principal implemented procedures to limit the scope of fund-raising activities. All fund-raising activities must be approved by the Regional Center III Business Director. (May 2006) • The principal included Section IV, Chapter 2 of the <u>Manual of Internal Fund Accounting</u> in the Faculty Handbook for all staff members and will review these procedures at the Opening of School faculty meeting. (August 2006) • Prior to any fundraising activity, the staff members and the treasurer were directed to sign off which will indicate that they have reviewed the procedures as outlined in the Faculty Handbook. (May 2006) • The principal directed the treasurer to present for her review all documents relating to fundraising activities prior to the activity itself. (May 2006) • The principal informed the staff that only fundraising activities approved by the principal will be permitted at the school. (May 2006). 	<ul style="list-style-type: none"> • The principal will direct the treasurer to present for her review the request to purchase pre-numbered tickets for activities requiring admission. • The principal will review the procedures outlined in the <u>Manual of Internal Fund Accounting</u> periodically throughout the year. • The principal will ensure that all new sponsors review fund raising procedures as outlined in the faculty handbook. • The principal will review all documents relating to fundraising on a weekly basis. 	<p>Principal Assistant Principal Treasurer Club Sponsors Team Leaders</p> <p>Principal Assistant Principal Treasurer Club Sponsors Team Leaders</p> <p>Principal Assistant Principal Treasurer</p> <p>Principal Assistant Principal Treasurer</p>

**CHARLES R. DREW MIDDLE COMMUNITY SCHOOL
DR. GWEN S. COVERSON, PRINCIPAL
Action Plan for the Fiscal Year 2004-2005 Audit Exceptions**

AUDIT RESPONSES			
AUDIT EXCEPTIONS(S)	IMMEDIATE CORRECTIVE ACTIONS	PREVENTIVE MONITORING STRATEGIES	PERSON(S) RESPONSIBLE
Fundraising activities (con't)	<ul style="list-style-type: none"> • The principal directed the sponsors and the treasurers to utilize pre-numbered tickets. (May 2006) • The principal directed the treasurer to ensure that Personality Picture activities are posted to the Classes and Clubs –Personality Pictures account. She directed the treasurer to ensure that transfers from the special purpose account occur and are in accordance with established procedures. (May 2006) • The principal contacted the photographer in order to receive the \$235 that is owed to the school. The photographer is in the process of mailing the reimbursement. (May 2006) • The principal directed the club sponsors and the treasurer to prepare Student Activity Operating Reports for all fund raisers in a timely manner. (May 2006) • The principal directed the treasurer and staff to deposit funds in the proper accounts in a timely manner. (May 2006) 	<ul style="list-style-type: none"> • The principal will review with the treasurer Personality Pictures activities to ensure that they are posted to the correct account. The principal will further review with the treasurer to make certain that all transfers are properly executed. These will be reviewed by the principal. • The principal will ensure that reimbursement is received from the photographer. • The principal will direct the treasurer to review all Student Activity Operating Reports with her on a weekly basis to ensure that the reports are properly completed. • The assistant principal will review deposits with the treasurer daily to ensure that all activities' funds are not commingled. The principal will verify deposits and activities to ensure collections are appropriately recorded. 	<p>Principal Assistant Principal Treasurer</p> <p>Principal Assistant Principal Treasurer</p> <p>Principal Assistant Principal Treasurer</p> <p>Principal Assistant Principal Treasurer</p>

MADISON MIDDLE SCHOOL
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL*

Address: 3400 N. W. 87 Street, Miami, Florida 33147

Date School Established: 1955

Grades: 6-8

Principal: Ms. Anne Marie Duboulay

Treasurer: Ms. Mary J. Thompkins

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A.	--	1.37	\$ 17,768.38
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>11,621.75</u>
TOTAL			<u><u>\$ 29,390.13</u></u>

*School Improvement Zone School.

MADISON MIDDLE SCHOOL (Continued)

Purchasing Credit Card, Payroll, and Data Security

Purchasing credit card records were properly maintained. In addition, payroll procedures were generally adhered to; and controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with.

Property

A physical inventory of property items with an individual value of \$ 1,000 or more indicated that 2 items at a cost of \$3,952 and a depreciated value of \$520 could not be located. The Manual of Property Control Procedures requires proper accounting for all items with an individual value of \$1,000 or more.

Internal Funds

Notwithstanding the exception noted below, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration, except as noted below. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except as noted below. 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.

The following exception was noted:

Fund Raising Activities

1. Our review of fund-raising activities disclosed the following discrepancies:
 - a. During the 2004-05 fiscal year, the school conducted several fund-raising activities and used admission tickets to control admissions to the events. Deposits from these activities were \$1,756; however, we could not determine whether potential sales were fully realized because the school did not present an invoice or affidavit to independently establish the number of tickets purchased, and because the tickets did not bear an admission price. A similar item was discussed with the school administration during the prior audit.

MADISON MIDDLE SCHOOL (Continued)

- b. Our follow-up on fund-raising activities conducted during the 2005-06 fiscal year revealed similar conditions; specifically, one instance where there was an unfavorable difference of \$1,465 between projected revenues of \$1,960 and collections posted to the account of \$495. According to statements from the principal and the sponsor of the activity, only 99 tickets at \$5 each were sold and 117 others were stolen; however, a Plant Security Report or a Certificate of Loss to document the incident were not evident. Also, the corresponding Student Activity Operating Report prepared by the sponsor and signed by the principal reported the stolen tickets as sold. According to the principal, this was an error that was not discovered until it was brought to the attention of the school administration by the auditor.

Section IV, Chapter 2 of the Manual of Internal Fund Accounting establishes the guidelines for properly conducting fundraising activities. We recommend compliance with the established procedures, and we recommend that the school administration closely monitor these activities to prevent similar conditions from recurring.

ACCESS CENTER III
 SCHOOL - 6391 MADISON MIDDLE SCHOOL


FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	39.27	.00	.00	39.27-	.00
CLASSES AND CLUBS	2,729.28	29,343.50	25,426.49	1,933.86-	4,712.43
TRUST	10,477.90	13,696.30	16,428.31	1,183.55	8,929.44
PROPERTY DEPOSITS	601.82	256.00	.00	.00	857.82
INSTRUCTIONAL AIDS	2,294.74	172.00	793.00	25.71-	1,648.03
GENERAL	1,201.77	3,864.13	2,244.90	815.29	3,636.29
INSTRUCTIONAL MATE	361.08	27,358.55	18,113.51	.00	9,606.12
TOTAL	17,705.86	74,690.48	63,006.21	.00	29,390.13

CHECKING 17,768.38 INVESTMENTS .00 SBMMF 11,621.75 TOTAL 29,390.13
 ACCOUNTS PAYABLE .00

MEMORANDUM

May 15, 2006

TO: Mr. George A Núñez, Regional Superintendent
Regional Center III

FROM: Anne-Marie DuBoulay, Principal 
Madison Middle School

SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT OF MADISON MIDDLE SCHOOL FOR THE 2004-2005 SCHOOL YEAR

The principal has reviewed and discussed the internal funds audit report referenced above with the appropriate personnel. Additionally, a detailed discussion was held regarding Section IV chapter 2 of the Manual of Internal Fund Accounting, which establishes the procedures for conducting fund-raising activities.

The principal has implemented corrective and preventive strategies to avoid the recurrence of similar conditions in future audits. A more active role in monitoring all personnel involved in fundraising and preparing activity reports will be taken by the principal.

The principal will confer with the Regional Center III Business Director and the Business Manager in Internal Fund Accounting Department for assistance and support in maintaining compliance with all of the guidelines established in the new Manual of Internal Fund Accounting.

AUDIT EXCEPTION

Fund-raising Activities

1. The principal directed all club sponsors to obtain pre-printed, pre-numbered serialized tickets, independently from the school, which reflect a dollar amount when conducting student dances. (May 2006)
2. The principal directed the club sponsors and treasurer to request an invoice from the vendor verifying the total number of tickets printed for these activities and ensure that the invoice includes numerical series of tickets purchased and that the price of the event is printed on the ticket. (May 2006)
3. The principal directed the treasurer to maintain an inventory of tickets and ensure that all unused tickets are on file for audit. (March 2006)
4. The principal directed the sponsor to ensure that Student Activity Operating Reports reflect the number of tickets used, numerical sequence, dollar amount, and series of unused tickets. (May 2006)
5. The principal directed all club sponsors to complete the Student Activity Operating Reports shortly after the completion of fundraising. The principal further directed the

sponsors to review the final operating reports to ensure that all collections and operating reports are accurate. (May 2006)

6. In the event that the pre-numbered tickets are misplaced, lost or stolen, a plant security report and a certificate of loss will be prepared and filed for documentation.
7. The principal has designated an assistant principal to assist her in monitoring fund-raising activity documents. She further directed the designated assistant principal and the treasurer to inform her of any discrepancies and for corrective measures to immediately be addressed. (May 2006)

The following preventive strategies have been established and will be implemented by the principal:

1. The principal and the designated assistant principal will monitor all fundraising activities and related documents.
2. The treasurer, assistant principal, and the principal will check to ensure that tickets for all events meet guidelines as outlined in the Manual of Internal Fund Accounting. All discrepancies will be addressed immediately.
3. The treasurer will check to ensure that the original invoice for the tickets used for the event is attached to the check requisition and it is in order before submitting payment to the vendor. If the original invoice is not presented, the treasurer will inform the designated assistant principal who will ensure that the sponsor obtains the original invoice prior to payment.
4. On a daily basis, the principal or her designee will review with the treasurer, the recaps of collections and the computer generated receipts to ensure that funds are being properly submitted. Discrepancies will be addressed immediately.
5. The principal will review the Student Activity Operating Reports on a monthly basis to ensure that they are accurate and sales are properly documented. Additionally, the principal will check the distribution log at the end of the sale to guarantee that all items have been accounted for and verified. If there are discrepancies, the principal will discuss the issue with the sponsor and documentation will be resubmitted for immediate corrective action. If losses are substantial, new sponsors will be identified to conduct fund-raisers.
6. When reviewing Student Activity Operating Reports, the principal will ensure that tickets were purchased from an outside vendor and unused tickets have been filed for and secured for audit.

If there are any questions and/or concerns, please do not hesitate to contact me at 305-836-2610 ext. 2200

cc: Mr. Robert Kalinsky

ARCOLA LAKE ELEMENTARY SCHOOL
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 1037 N. W. 81 Street, Miami, Florida 33150

Date School Established: 1969

Grades: PK-5

Principal: Ms. Cecilia Hunter

Bookkeepers: Ms. Clayzonia Lewis (Through July 2004)
 Ms. Regina Hall (Through May 2005)
 Ms. Aurelia Goodman

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A.	--	1.37	\$ 6,081.82
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>11,760.57</u>
TOTAL			<u><u>\$ 17,842.39</u></u>

ARCOLA LAKE ELEMENTARY SCHOOL (Continued)

Property and Payroll

Property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to.

Internal Funds

Notwithstanding the exception noted below, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration, except as noted below. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except as noted below. 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.

Financial Management

1. Our review of financial records disclosed the following:
 - a. The checking account balances according to the bank reconciliations did not agree with the checkbook balances for five months during the 2005-06 fiscal year.
 - b. Interest earned from the school's checking and Money Market accounts were not posted on a timely basis for several months during the 2005-06 fiscal year.
 - c. Checks issued in November and December 2005 were not always posted to the MSAF on a timely basis. Also, one check amounting to \$358 was cashed by the bank, although it was only signed by the bookkeeper.
 - d. Invoices did not always have the signature of the person acknowledging that goods or services, as specified, had been received and that payment was in order. Also, some invoices were paid late, with delays ranging up to 248 days.

Section II, Chapters 1 and 5 of the Manual of Internal Fund Accounting establish the procedures to be followed for maintaining financial records, disbursing funds, and require that each check be signed by the principal or her designee and a clerical cosigner. We recommend compliance with established procedures.

REGION CENTER III

SCHOOL - 0101 ARCOLA LAKE ELEMENTARY

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE		
CLASSES AND CLUBS							
DANCE	438.00	250.00	649.54	.00	38.46		
FIFTH GRADE	16.06	.00	.00	.00	16.06		
PRE-KINDER	1,997.83	.00	.00	.00	1,997.83		
CLASSES AND CLUBS	2,451.89	250.00	649.54	.00	2,052.35		
TRUST							
DONATIONS	.00	1,063.00	798.33	.00	264.67		
FIELD TRIPS 1	707.72	.00	13.00	13.00	707.72		
FUND RAISING	1,730.72	.00	.00	.00	1,730.72		
LIBRARY	63.15	106.01	83.46	1,672.22	1,757.92		
FIELD TRIPS 2	.00	990.00	990.00	.00	.00		
FIELD TRIPS 3	.00	405.00	405.00	.00	.00		
FIELD TRIPS 4	.00	1,663.00	1,590.00	73.00-	.00		
SPECIAL PURPOSE	263.67	366.65	714.49	1,538.46	1,454.29		
UNCLAIMED STALE-	389.00	.00	377.00	12.00-	.00		
UNITED WAY	.00	1,263.00	1,263.00	.00	.00		
BOOK-FAIR	755.26	4,012.34	3,095.38	1,672.22-	.00		
DONATION TWO	.00	1,685.00	1,123.44	.00	561.56		
DONATION THREE	.00	1,000.00	691.54	.00	308.46		
DONATION FOUR	.00	55.00	27.38	.00	27.62		
GRANTS I	107.35	.00	.00	.00	107.35		
EESAC FUNDS	.00	.00	2,999.00	2,999.00	.00		
GRANTS II	295.90	.00	.00	295.90-	.00		
TRUST	4,312.77	12,609.00	14,171.02	4,169.56	6,920.31		
GENERAL							
GENERAL MISCELLA	2,634.88	.00	2,332.49	367.90	670.29		
CASH OVER & SHOR	.00	21.90-	.00	.00	21.90-		
INTEREST	.00	269.89	.00	.00	269.89		
SCHOOL PICTURES	.00	3,601.00	2,283.99	1,317.01-	.00		
VENDING MACHINES	.00	221.45	.00	221.45-	.00		
REGISTRATION FEE	.00	.00	105.00	.00	105.00-		
DONATIONS	.00	504.98	360.00	.00	144.98		
GENERAL	2,634.88	4,575.42	5,081.48	1,170.56-	958.26		
INSTRUCTIONAL MATERI							
FUND-9 INST. MAT	6,948.11	17,019.56	13,057.20	2,999.00-	7,911.47		
INSTRUCTIONAL MATE	6,948.11	17,019.56	13,057.20	2,999.00-	7,911.47		
TOTAL	16,347.65	34,453.98	32,959.24	.00	17,842.39		
CHECKING	6,081.82	INVESTMENTS	.00	SBMMF	11,760.57	TOTAL	17,842.39
			ACCOUNTS PAYABLE	.00			

MEMORANDUM

May 15, 2006

TO: Mr. George Núñez, Regional Superintendent
Regional Center III

FROM: Cecilia L. Hunter, Principal *CLH*
Arcola Lake Elementary School

**SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT OF ARCOLA LAKE
ELEMENTARY SCHOOL – LOCATION #0101 FOR THE 2004 – 2005
SCHOOL YEAR**

As principal of Arcola Lake Elementary school, a thorough review of the internal funds audit report for the 2004 – 2005 school year was conducted with the appropriate school personnel. Additionally, the principal held a meeting with the treasurer to discuss Section II Chapters 1 and 5 of the Manual of Internal Funds Accounting (May 2006); which establishes the procedures for financial management.

The principal has implemented corrective and preventive strategies to avoid recurrence of similar conditions in future audits. A more active role in monitoring the treasurer will be taken by the principal.

AUDIT EXCEPTION

Financial Management

The following corrective actions were taken:

1. The principal directed the treasurer to reconcile the check book balance with the issuance of each check. The principal will sit with the treasurer on a weekly basis or as needed to ensure that this process is followed. (May 2006)
2. The principal directed the treasurer to post all interest immediately upon receipt of the bank statement. The assistant principal has been directed to assist in the monitoring on a weekly basis. (May 2006)
3. The principal reviewed with the treasurer the procedure for posting checks and deposits to the MSAF and directed her to post checks and deposits daily. (May 2006)

4. The principal directed the treasurer to review all checks to ensure two signatures are provided before the check is processed for payment. (May 2006)
5. The principal directed the treasurer to sign for all goods received and to provide the principal with all outstanding invoices on a daily basis. (May 2006)

The following preventive strategies have been established and will be implemented by the principal.

1. The principal will review with the treasurer all check transactions on a daily basis to ensure that they are properly processed.
2. The principal will review the MSAF to ensure that interest is posted on a timely basis.
3. The principal will review each check before it is processed to ensure that two signatures are properly affixed.
4. The principal will review all invoices to ensure that payment is made within thirty days.

Should you have any questions, please do not hesitate to contact me at 305 836-2820.

cc: Mr. Robert Kalinsky

WILLIAM H. TURNER EDUCATIONAL CENTER
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL/CENTER

Address: 10151 N. W. 19 Avenue, Miami, Florida 33147

Date Center Established: 1993

Grades: 9-12 and Adult

Principal: Ms. Valmarie W. Rhoden

Business Manager: Ms. Raquel Lengomin

Treasurers: Ms. Cassandra Blevins (Senior High School)
 Ms. Nelli Dassaw (Adult Education Center) (Through December 2004)
 Ms. Cassandra Blevins (Adult Education Center)

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Senior High</u>	<u>6/30/05</u> <u>Adult Ed. Center</u>
Checking Accounts:				
Union Planters Bank	--	--	\$ 50,654.18	
Bank of America, N. A.	--	--		\$ 10,572.72
Investment:				
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>66,938.21</u>	<u>50,809.56</u>
TOTAL			<u>\$ 117,592.39</u>	<u>\$ 61,382.28</u>

WILLIAM H. TURNER EDUCATIONAL CENTER (Continued)

AUDIT OPINION

Internal Funds, Property, Payroll, and Data Security

The internal funds and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to; and controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

Adult Education Procedures

Procedures established in the Adult and Applied Technology Education Procedures Manual were generally adhered to at the adult education center, except for those deficiencies in the area of enrollment verification of off-campus/satellite classes noted below:

1. Our review of enrollment of off-campus/satellite classes disclosed the following:
 - a. The enrollment verification visit of three cosmetology classes with a total enrollment of eight students occurred towards the end of the trimester and approximately one hour after the class started; however, no students were present. According to the instructor, some of her students may have been attending a remedial course. Two of the students arrived a short time later. Approximately a month later, towards the beginning of the next trimester, we visited two other classes with a total of seven students enrolled, only two were present; however, one of these students arrived one hour after the class had started.
 - b. Attendance records for the cosmetology and remedial classes reported some students attending both classes on the same days and at the same times.

WILLIAM H. TURNER EDUCATIONAL CENTER (Continued)

- c. Enrollment verification for two barbering classes disclosed that only two of 17 students enrolled were in attendance. However, according to attendance records, eight students reportedly arrived after the auditor's visit.
- d. A satellite/off campus visitation log was not presented for audit.

The Adult and Applied Technology Education Procedures Manual establishes that the principal or designee supervise off-campus/satellite classes on a regular basis to ensure compliance with established policies and procedures. We recommend closer monitoring of off-campus/satellite classes and that a visitation log be maintained.

VOCATIONAL/ADULT
 SCHOOL - 7601 WM. H. TURNER TECH. AR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
MUSIC	355.11	1,310.50	1,597.05	18.27-	50.29
CLASSES AND CLUBS	29,402.57	274,385.56	270,381.39	10,348.05	43,754.79
TRUST	66,576.24	90,213.96	118,517.71	23,369.51	61,642.00
GENERAL	3,571.97	84,761.29	50,467.22	36,698.46-	1,167.58
INSTRUCTIONAL MATE	9,866.64	66,826.24	73,860.97	.00	2,831.91
AGRICULTURE	7,131.82	80,820.05	83,353.13	2,999.17	7,597.91
PRODUCTION/SERVICE	547.91	.00	.00	.00	547.91
TOTAL	117,452.26	598,317.60	598,177.47	.00	117,592.39

CHECKING 50,654.18 INVESTMENTS .00 SBMMF 66,938.21 TOTAL 117,592.39
 ACCOUNTS PAYABLE .00

SENIOR HIGH SCHOOL

ACCESS CENTER III
 SCHOOL - 7602 WM. H. TURNER TECH. AD

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
TRUST	8,429.72	20,700.46	8,881.08	4,857.95-	15,391.15
SCHOOL STORE	30,312.20	26,487.20	23,635.57	2,523.41-	30,640.42
INSTRUCTIONAL AIDS	1,689.86	2,950.00	1,940.77	.00	2,699.09
GENERAL	1,208.34	1,158.87	7,577.17	5,765.48	555.52
INSTRUCTIONAL MATE	8,979.56	8,083.64	9,346.78	153.62-	7,562.80
ADULT EDUCATION	5,454.02	91,406.00	98,254.52	1,439.50	45.00
PRODUCTION/SERVICE	3,434.27	4,166.00	3,441.97	330.00	4,488.30
TOTAL	59,507.97	154,952.17	153,077.86	.00	61,382.28

CHECKING 10,572.72 INVESTMENTS .00 SBMMF 50,809.56 TOTAL 61,382.28
 ACCOUNTS PAYABLE .00

ADULT/VOCATIONAL EDUCATION CENTER

MEMORANDUM

June 5, 2006

TO: Mr. George A. Núñez, Regional Superintendent
Regional Center III

FROM: Ms. Valmarie Rhoden, Principal *VR-ck*
William H. Turner Technical Arts High School

**SUBJECT: RESPONSE TO INTERNAL FUNDS AUDIT OF WILLIAM H. TURNER
EDUCATION CENTER FOR FISCAL YEAR 2004-2005**

The principal has reviewed and thoroughly discussed the internal funds audit report for the 2004-2005 school year with the appropriate personnel. A meeting was held with the vice principal of Adult Education, the treasurer and the business manager.

The principal has implemented corrective and preventive strategies to preclude the recurrence of similar conditions in future audits. The principal will take a more active role in monitoring all personnel involved with the Adult Education Center and in the proper maintenance of enrollment procedures, observation logs and attendance records.

The principal will confer with the Regional Center III Administrative Director, Business/Personnel, for support in maintaining compliance with all of the guidelines established in The Adult and Applied Technology Education Procedures Manual.

RESPONSE TO AUDIT EXCEPTION

The following corrective actions were taken to prevent recurrence of the conditions cited in the auditor's report:

1. The principal met with the vice principal, the business manager, and the treasurer and discussed the audit findings. The principal reviewed The Adult and Applied Technology Education Procedures Manual, specifically focusing on appropriate sections that addressed the areas of deficiencies cited by the auditor. (June 2006)
2. The principal directed the vice-principal and the business manager to visit off-campus/satellite classes on a weekly basis. These visits are to take place at various times and on different days to accurately measure student attendance in these classes. (June 2006)
3. The principal directed the vice-principal to review attendance records for the off-campus/satellite classes to ensure that students are not enrolled in two classes on the same day, and at the same time. (June 2006)

4. The principal directed the vice-principal to review payroll records to ensure that all instructors in off-campus/satellite classes are teaching the classes for which they are being compensated and that instructors are delivering instruction accordingly. (June 2006)
5. The principal directed the vice-principal and the business manager to maintain, utilize, and review the off-campus/satellite visitation log weekly and to have this log available for review. (June 2006)
6. The principal directed the vice-principal to monitor enrollment in off-campus/satellite classes to ensure that student registration is sufficient to maintain staff. (June 2006)

The following preventive strategies will be implemented by the principal to eliminate Adult Education audit exceptions in the future:

1. The principal will review The Adult and Applied Technology Education Procedures Manual with the vice-principal, treasurer and business manager to ensure compliance with attendance reporting, payroll and program requirements with special emphasis on enrollment verification of off-campus/satellite classes.
2. At the end of the trimester, July 19, 2006, the cosmetology program will be closed as a result of low enrollment. The barbering program will be given a trimester to increase enrollment and attendance. At the end of this trimester, the determination to continue this program will be evaluated.
3. The principal and the vice principal of Adult Education will closely monitor the number of students in attendance and will review the teachers' attendance rosters to ensure the accuracy of these records.
4. The principal and the vice principal of Adult Education will closely monitor the off-campus/satellite classes and will ensure that a visitation log will be utilized and maintained. A copy of this log will be submitted to the principal on a weekly basis.
5. The principal, the vice-principal and the payroll clerk will review payroll on a daily basis for the off-campus/satellite classes to ensure that employees are properly compensated for services rendered.

Should you need additional information, please contact me at (305) 693-2639. Thank you for your support and assistance.

Cc: Mr. Robert Kalinsky

MIAMI NORTHWESTERN SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL*

Address: 1100 N.W. 71 Street, Miami, Florida 33150

Date Center Established: 1955

Grades: 9-12

Principal During Audit Period: Dr. Steve Gallon III (Through July 2005; presently Administrative Director at the Department of Alternative Education)

Principal After Audit Period: Dr. Alvin Brennan (Through August 2005; resigned)

Current Principals: Mr. Guillermo Muñoz (Co-Principal)
 Ms. Paulette Covin-Fredrik (Co-Principal)

Business Manager: Ms. Maria V. Colon

Treasurers: Ms. Gwenette N. Stevens (Through March 2005)
 Ms. Robin W. Hill (Through January 2006)
 Ms. Maria V. Colon (Acting)

Community School Assistant Principal: Ms. Elsie McCray

Community School Secretary: Ms. Sherry Dukes

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
<u>Checking Account:</u>			
Union Planters Bank, N. A.	--	--	\$ 18,970.63
<u>Investment:</u>			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>246,568.26</u>
TOTAL			<u>\$ 265,538.89</u>

* School Improvement Zone School.

MIAMI NORTHWESTERN SENIOR HIGH SCHOOL (Continued)

AUDIT OPINION

The internal funds were properly maintained. In addition, payroll procedures were generally adhered to; and controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

A physical inventory of property items with an individual cost of \$1,000 or more indicated that 8 items at a cost of \$18,249 and a depreciated value of \$5,170 could not be located. The Manual of Property Control Procedures requires a proper accounting of all items with an individual cost of \$1,000 or more.

ACCESS CENTER III
 SCHOOL - 7411 MIAMI NORTHWESTERN SEN

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	38,248.73	185,473.09	212,279.87	4,180.20	15,622.15
MUSIC	525.40	3,602.00	3,009.22	367.75-	750.43
CLASSES AND CLUBS	59,169.47	213,887.63	213,641.81	4,318.61	63,733.90
TRUST	46,137.88	217,779.67	240,451.33	13,409.98	36,876.20
PROPERTY DEPOSITS	2,810.71	.00	.00	2,810.71-	.00
INSTRUCTIONAL AIDS	7,126.44	4,833.00	6,640.77	1,606.27-	3,712.40
GENERAL	74,305.29	118,062.40	51,330.12	17,443.63-	123,593.94
INSTRUCTIONAL MATE	14,289.27	25,877.57	32,765.34	.00	7,401.50
COMMUNITY SCHOOL	256.80	99,042.35	98,632.35	.00	666.80
PRODUCTION/SERVICE	13,213.66	16,761.21	17,112.87	319.57	13,181.57
TOTAL	256,083.65	885,318.92	875,863.68	.00	265,538.89

CHECKING 18,970.63 INVESTMENTS .00 SBMMF 246,568.26 TOTAL 265,538.89
 ACCOUNTS PAYABLE .00

D. A. DORSEY EDUCATIONAL CENTER
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE CENTER

Address: 7100 N. W. 17 Avenue, Miami, Florida 33147

Date Center Established: 1968

Principal: Ms. Gloria Evans

Treasurer: Ms. Patrice A. Palmer

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A	--	1.37	\$ 56,326.63
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>34,404.03</u>
TOTAL			<u><u>\$ 90,730.66</u></u>

AUDIT OPINION

The internal funds, purchasing credit card, and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

VOCATIONAL/ADULT
 SCHOOL - 8139 MIAMI DORSEY SKILL CEN

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
CLASSES AND CLUBS	128.02	36.00	.00	128.02-	36.00
TRUST	44,185.95	69,812.67	70,285.69	1,771.13-	41,941.80
SCHOOL STORE	29,703.45	41,250.16	36,608.08	3,550.98	37,896.51
INSTRUCTIONAL AIDS	3,042.41	.00	.00	314.22-	2,728.19
GENERAL	4,700.10	8,466.22	8,759.87	92.52-	4,313.93
INSTRUCTIONAL MATE	871.56	13,347.85	8,827.10	3,276.15-	2,116.16
ADULT EDUCATION	.00	151,714.00	153,853.00	2,139.00	.00
COMMUNITY SCHOOL	851.44	.00	.00	128.34-	723.10
FOOD SERVICE	225.67	1,241.80	1,253.00	.00	214.47
PRODUCTION/SERVICE	401.49	348.59	9.98	20.40	760.50
TOTAL	84,110.09	286,217.29	279,596.72	.00	90,730.66

CHECKING 56,326.63 INVESTMENTS .00 SBMMF 34,404.03 TOTAL 90,730.66
 ACCOUNTS PAYABLE .00

CORPORATE ACADEMY NORTH
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE CENTER

Address: 5120 N.W. 24th Avenue, Miami, Florida 33142

Date Center Established: 1989

Grades: 9-12

Principal: Ms. Barbara Hawkins

Treasurers: Ms. Cassandra Jones (Through September 2004)
 Ms. Norma Williams

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A.	--	1.36	\$ 132.47
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>11,232.23</u>
TOTAL			<u><u>\$ 11,364.70</u></u>

AUDIT OPINION

The internal funds and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

ALTERNATIVE EDUC

SCHOOL - 8161 CORPORATE ACADEMY

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	.40	.00	.00	.00	.40
CLASSES AND CLUBS	2,130.01	2,569.40	2,868.71	342.86-	1,487.84
TRUST	6,475.64	9,175.95	9,176.02	348.00-	6,127.57
SCHOOL STORE	104.76	.00	.00	.00	104.76
GENERAL	1,778.61	831.30	1,600.08	690.86	1,700.69
INSTRUCTIONAL MATE	2,913.12	8,260.34	9,230.02	.00	1,943.44
TOTAL	13,402.54	20,836.99	22,874.83	.00	11,364.70

CHECKING	132.47	INVESTMENTS	.00	SBMMF	11,232.23	TOTAL	11,364.70
			ACCOUNTS PAYABLE		.00		

REGIONAL CENTER IV SCHOOLS

MIAMI SENIOR HIGH SCHOOL
 AUDIT REPORT
 FOR THE 2004-2005 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 2450 S. W. First Street, Miami, Florida 33135

Date School Established: 1928

Grades: 9-12

Principal During Audit Period: Mr. Victoriano Lopez (Through May 2006; presently Executive Director, Life Skills and Special Programs)

Current Principal: Dr. Daniel Tosado

Treasurer: Mr. Osnardo Drago, Jr.

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
SunTrust Bank, Miami, N. A.	--	0.10	\$ 19,498.02
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>178,244.13</u>
TOTAL			<u>\$ 197,742.15</u>

MIAMI SENIOR HIGH SCHOOL (Continued)

Property, Purchasing Credit Card, Payroll, and Data Security.

Property and purchasing credit card records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to; and controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with.

Internal Funds

Notwithstanding the exception noted below, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration, except as noted below. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except as noted below. 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.

The following exception was noted:

Sponsorship Agreement

1. The school received \$15,000 and \$10,000 during the 2004-05 and 2005-06 fiscal years, respectively, as part of a three-year agreement between a sportswear vendor and the Head Coach of the boys' basketball team. These funds were processed and deposited into the school's internal funds. The sponsorship agreement provided monetary compensation up to a maximum total of \$60,000 during a three-year period, as well as a specific amount of sportswear for the coach, his staff, and their immediate family. For the team, it provided uniforms as well as sportswear and related sporting good supplies. In exchange, the team and coaches were required to exclusively use the vendor's product during all team activities; the team and players were required to play on an event designated by the vendor; and were encouraged to participate in a program and camp sponsored by the vendor. Our review of this agreement disclosed the following departures from established procedures:
 - a. Documentation obtained from the coaches revealed that they received between \$400 and \$600 in complimentary sportswear and related products for their personal use. School Board Rule 6GX13-4A-1.212 prohibits an employee from using his position to secure a special benefit for him or for others, as appears to be the case here.

MIAMI SENIOR HIGH SCHOOL (Continued)

- b. The agreement was signed by the Head Coach, without any written approval from the Regional Center or District administration and without it having been reviewed by the School Board Attorney. School Board Rule 6GX13-3F-1.01 requires that contracts be submitted to the Board Attorney for drafting or approval and to determine if the contract meets all relevant and applicable legal requirements as to form and content.

- c. The agreement granted the company the right to use the team's trademarks, names, logos, photographs or other indicia identifying the team, and required the team to participate in a vendor-sponsored event. School Board Rule 6GX13-1C-1.12 establishes that the school name and the names of school-sponsored groups shall not be exploited in events of a commercial nature. We are not aware that the team has participated in a vendor-sponsored event, or that the vendor has used the team commercially; however, by agreeing to these conditions, the vendor is allowed to use the team commercially and perhaps for monetary gain.

We recommend that the school administration work with the Board Attorney's Office to terminate this agreement and obtain guidance on structuring future agreements within the framework of District's policy.

ACCESS CENTER IV

SCHOOL - 7461 MIAMI SENIOR

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
ATHLETICS	.00	80,410.39	126,148.70	45,738.31	.00
MUSIC	138.50	.00	.00	.00	138.50
CLASSES AND CLUBS	64,530.12	328,109.76	310,216.10	9,096.13-	73,327.65
TRUST	34,102.90	113,209.79	108,677.68	6,144.12	44,779.13
INSTRUCTIONAL AIDS	13,911.87	27,163.75	25,984.34	30.00-	15,061.28
GENERAL	39,975.98	88,278.34	40,832.41	42,756.30-	44,665.61
INSTRUCTIONAL MATE	10,147.99	118,169.77	111,894.78	.00	16,422.98
PRODUCTION/SERVICE	2,409.37	25,613.93	24,676.30	.00	3,347.00
TOTAL	165,216.73	780,955.73	748,430.31	.00	197,742.15

CHECKING	19,498.02	INVESTMENTS	.00	SBMMF	178,244.13	TOTAL	197,742.15
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

June 7, 2006

TO: Dr. Essie S. Pace, Regional Superintendent
Regional Center IV

FROM: Dr. Daniel Tosado, Principal
Miami Senior High School

SUBJECT: MIAMI SENIOR HIGH SCHOOL AUDIT RESPONSE TO AUDIT REPORT FOR THE 2004-2005 SCHOOL YEAR

The principal has thoroughly reviewed the internal funds audit report for the 2004-2005 school year with the appropriate personnel. A meeting was held with the Treasurer, the Athletic Director, and administrative staff to review pertinent School Board Rules and the procedures as outlined in the Manual of Internal Fund Accounting.

The principal has implemented corrective and preventive strategies to prevent the recurrence of similar conditions in future audits. The principal will take a more active role in monitoring all personnel involved with the Athletic Department and in the proper maintenance of Athletic Department records.

The principal will confer with the Regional Center IV Administrative Director, Business/Personnel for support in maintaining compliance with pertinent School Board Rules and all guidelines established in the Manual of Internal Fund Accounting.

AUDIT EXCEPTION:

Sponsorship Agreement:

The following corrective actions were taken to prevent recurrence of the conditions cited in the audit:

- On June 5, 2006 the principal met with the Treasurer, the Athletic Director, and administrative staff and discussed the audit findings. The principal also reviewed School Board Rules 6GX13-4A-1.221, Conflict of Interest, 6GX13-3F-1.01, Approval by School Board Attorney and 6GX13-1C-1.12 Public Performances by Students, specifically focusing on sections addressed as areas of deficiency in the audit.
- On June 6, 2006 the principal contacted the School Board Attorney's Office to determine an appropriate method to terminate the Sponsorship Agreement.
- Before the beginning of the 2006-2007 school year a meeting will be held with the Head Coach for Boy's Basketball to review the audit findings in

greater detail and to implement procedures to eliminate this type of audit finding in the future.

The following preventive strategies will be implemented to eliminate Athletic Department audit exceptions in the future:

- As part of the opening of school procedure, School Board Rules 6GX13-4A-1.221, Conflict of Interest, 6GX13-3F-1.01, Approval By School Board Attorney and 6GX13-1C-1.12, Public Performance by Students, will be distributed at the first Faculty Meeting for 2006-207 school year and reviewed in detail with the entire staff.
- At the first meeting of coaches and club sponsors, staff will be provided with training from administrative staff on the proper application for agreements between the school district and any outside entity.
- The principal will provide additional release time for the Athletic Director to provide closer monitoring of the Athletic Department in general and the processing of agreements.
- Reporting lines have been adjusted so that the Athletic Director reports directly to the principal of the school.

If you need additional information, please contact me at (305)649-9800.



DT

cc: Mr. Jorge L. Garcia

MEMORANDUM

June 8, 2006

TO: Lilia Garcia, Administrative Director
Division of Life Skills and Special Projects

FROM: Victor Lopez, Executive Director *VL*
Division of Life Skills and Special Projects

SUBJECT: RESPONSE TO AUDIT EXCEPTION AT MIAMI SENIOR HIGH SCHOOL LOCATION #7461

As the former principal of Miami Senior High School, I have reviewed and discussed the Internal Funds audit report for the 2004-2005 school year and subsequently would implement the following corrective actions if I were to be assigned as a senior high school principal at another school.

AUDIT EXCEPTION

Sponsorship Agreement

Schedule a meeting with appropriate personnel, the school treasurer, athletic director and all coaches to review the guidelines, expectations and specific School Board rules:

- School Board Rule 6GX13-4A-1.212 which prohibits an employee from using his position to secure a special benefit for him or for others;
- School Board Rule 6GX13-3F-1.01 which states that contracts must be submitted to the Board Attorney for drafting or approval and to determine if the contract meets all relevant and applicable legal requirements as to form and content;
- School Board Rule 6GX13-1C-1.12 which establishes that school name and the names of school-sponsored groups shall not be exploited in events of a commercial nature.

The following preventive strategies would be implemented to eliminate audit exceptions of this nature:

- Include, as part of the principal's performance plan, a job target to prevent recurrence of future audit exceptions.
- Conduct monthly meetings to ensure that all coaches are cognizant of School Board rules related to contracts, special benefits, and exploitation of school-sponsored groups.
- Review with school treasurer, activities director, athletic director, and coaches the Manual of Internal Fund Accounting as it relates to outside booster club activities.
- Ensure that the school is in compliance with all Greater Miami Athletic Association (GMAC) rules and regulations.

VL/dm
M#236

cc: Mr. Jorge L. Garcia

KENSINGTON PARK ELEMENTARY SCHOOL
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 711 N. W. 30 Avenue, Miami, Florida 33125

Date School Established: 1949

Grades: PK-5

Principal: Mr. Genaro Navarro

Bookkeepers: Ms. Jennifer Joseph (Through January 2006)
 Ms. Marlene Castro

Community School Program Manager: Mr. Holman Ramos

Community School Secretary: Ms. Debbie Guerra

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Union Planters Bank, N. A.	--	--	\$ 8,592.08
Investment:			
MDCPS-Money Market Pool Fund	--	3.25	<u>3,417.71</u>
TOTAL			<u><u>\$ 12,009.79</u></u>

KENSINGTON PARK ELEMENTARY (Continued)

Property and Payroll

Property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to.

Internal Funds

With the exception of the After School Care Program operation noted below, the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration, except as noted below. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except as noted below. 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.

The following exception was noted:

Community School

1. Our audit of the After School Care Program for the 2004-05 fiscal year uncovered a shortfall of approximately \$21,000 in revenues, as well as many irregularities in the records. We interviewed the clerk responsible for the collection of fees and the maintenance of the records who confessed to misappropriation of funds. She was immediately escorted from the school and later arrested and charged with grand theft. Consequent to these events, we extended our review to the 2005-06 fiscal year up to February 2006, and our audit/investigation disclosed the following discrepancies:
 - a. For the 2005-06 fiscal year up to February 2006, our revenue analysis disclosed a shortfall of approximately \$36,000 in the revenues generated by the program. We are of the opinion that, in addition to the misappropriation of funds, the shortfalls resulted from a lack of oversight over the collection process, the posting of the transactions, and the maintenance of the records to ensure that payments were received for all services rendered, all collections were deposited in the account, and all records were complete and accurate.

KENSINGTON PARK ELEMENTARY (Continued)

- b. Postings made to the student registration cards disclosed many irregularities and disclosed poor recordkeeping. There were many instances where an official receipt was posted to several student registration cards to conceal that monies were not being collected or deposited. We calculated that over \$11,000 in official receipts were posted more than once to the cards reviewed; and all these were cash collections.
- c. There were many instances where amounts receipted did not match amounts posted to the cards. Additionally, based on amounts receipted, many students did not pay the proper amount of fees for the services rendered.
- d. A few official receipts were voided on the receipt books; however, were posted to the cards as if collections had been received.
- e. Several student registration cards could not be located, while several receipts were not posted to the student registration cards.
- f. The school has a subsidized child care program; however, the subsidized child care fees were not being monitored and the agency reimbursements were not being reconciled by the school. At the request of the auditor, documentation for the subsidized child care fees received for 2005-06 was obtained from the district.
- g. Attendance for the After School Care and Story Hour programs was commingled in the attendance rosters.
- h. Proper receipting procedures were not followed when many of the customer receipts that should have been issued to the parents upon payment of fees were found undistributed in the clerk's office. Dates on these receipts ranged from September 2005 to February 2006.

We tested a sample of student registration cards and attendance records for the 2004-05 fiscal year, and our test disclosed similar conditions. This case was referred to M-DCPS Police and the State Attorney's office, and is presently ongoing pending further legal and administrative proceedings. The Community School Procedures manual establishes the guidelines to receipt the student fees, deposit the collections and maintain the records. We recommend adherence to the guidelines, and further recommend that the school administration review the After School Care Program activity to improve the controls over the collection process, the upkeep and maintenance of the student registration cards and attendance records, and ensure that collections are properly safeguarded against theft and abuse.

REGION CENTER IV

SCHOOL - 2661 KENSINGTON PARK ELEMEN


FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
CLASSES AND CLUBS					
THIRD GRADE	956.55	1,670.00	1,255.16	711.39-	660.00
FOURTH GRADE	659.12	.00	393.23	46.00-	219.89
FIFTH GRADE	.92	.00	.00	.00	.92
PRE-KINDER	226.77	.00	.00	.00	226.77
CLASSES AND CLUBS	1,843.36	1,670.00	1,648.39	757.39-	1,107.58
TRUST					
DONATIONS	600.37	149.50	.00	149.50-	600.37
FIELD TRIPS 1	1,484.95	3,010.00	2,341.25	1,384.95-	768.75
LIBRARY	1,722.72	261.24	420.33	.00	1,563.63
LOST&DAMAGE TEXT	.00	68.50	68.50	.00	.00
FIELD TRIPS 2	.00	1,462.00	1,503.00	41.00	.00
FIELD TRIPS 3	.00	4,940.00	4,685.00	.00	255.00
FIELD TRIPS 4	.00	1,427.50	1,375.00	.00	52.50
FIELD TRIPS 5	.00	1,975.50	2,630.00	711.39	56.89
FIELD TRIPS 6	.00	2,133.00	2,156.00	46.00	23.00
FIELD TRIPS 7	.00	15,259.50	14,930.00	49.50	379.00
SPECIAL PURPOSE	1,357.73	.00	5,052.01	4,086.35	392.07
UNCLAIMED STALE-	39.90	.00	39.90	.00	.00
UNITED WAY	.00	6,938.07	6,938.07	.00	.00
PAPERBACKS - 1	32.89	963.42	989.29	.00	7.02
TRUST	5,238.56	38,588.23	43,128.35	3,399.79	4,098.23
GENERAL					
GENERAL MISCELLA	5,877.39	.00	7,155.94	1,484.95	206.40
CASH OVER & SHOR	.00	2.25	.00	.00	2.25
INTEREST	.00	69.45	.00	.00	69.45
SCHOOL PICTURES	.00	11,470.00	7,212.80	3,192.90-	1,064.30
VENDING MACHINES	.00	934.45	.00	934.45-	.00
TRAVEL-FACULTY/A	.00	.00	378.02	.00	378.02-
DONATIONS	.00	1,624.34	.00	.00	1,624.34
GENERAL	5,877.39	14,100.49	14,746.76	2,642.40-	2,588.72
INSTRUCTIONAL MATERI					
FUND-9 INST. MAT	9,070.90	14,716.48	19,912.74	.00	3,874.64
INSTRUCTIONAL MATE	9,070.90	14,716.48	19,912.74	.00	3,874.64
COMMUNITY SCHOOL					
BEFORE/AFTER SCH	.00	126,021.45	126,021.45	.00	.00
COMM SCHL-FIELD	.00	340.00	.00	.00	340.00
COMM SCHL-ACTIVI	1,633.49	40.00	1,672.87	.00	.62
SUBSIDIZED CHILD	.00	52,167.00	52,167.00	.00	.00
COMMUNITY SCHOOL	1,633.49	178,568.45	179,861.32	.00	340.62
TOTAL	23,663.70	247,643.65	259,297.56	.00	12,009.79

CHECKING	8,592.08	INVESTMENTS	.00	SBMMF	3,417.71	TOTAL	12,009.79
			ACCOUNTS PAYABLE		.00		

MEMORANDUM

June 5, 2006

TO: Dr. Essie S. Pace, Regional Superintendent
Regional Center IV

FROM: Genaro Navarro, Principal 
Kensington Park Elementary School

SUBJECT: KENSINGTON PARK ELEMENTARY SCHOOL AUDIT
RESPONSE TO AUDIT REPORT FOR THE 2004-2005 SCHOOL
YEAR

The principal has thoroughly reviewed the internal funds audit report for the 2004-2005 school year and the 2005-2006 fiscal year up to February 2006 with the appropriate personnel. A meeting was held with the After School Care Program Manager and an assistant principal assigned to assist in overseeing the program to review the procedures as outlined in the Community School Procedures Manual.

The principal has implemented corrective and preventive strategies to prevent the recurrence of similar conditions in future audits. The principal will take a more active role in monitoring all personnel involved with the After School Care Program functions and in the proper maintenance of the After School Care Program records.

The principal will confer with the Regional Center IV Administrative Director, Business/Personnel and the Community School Office for support in maintaining compliance with all of the guidelines established in the Community School Procedures Manual.

AUDIT EXCEPTION:

After School Care Program:

The following corrective actions were taken to prevent the recurrence of the conditions sited in the audit:

- On June 5, 2006 the principal met with the assistant principal designee and the After School Care Program manager to discuss the audit findings. The principal also reviewed the Community School Procedures Manual, specially focusing on appropriate sections that address the areas of deficiency from the auditor.

- The principal directed the assistant principal designee and the After School Care Program manager to thoroughly review the collection process, posting of transactions, and maintenance of the records to ensure payments are received for all services rendered, all collections are deposited in the account, and all records are complete and accurate.
- The principal directed the After School Care Program manager to review the postings to student registration cards for accuracy and to maintain cards for all participants in a central location of the office.
- The principal directed the After School Care Program manager to compare all receipts issued, to the amount posted on the student card to ensure accurate bookkeeping and to submit for review to the assistant principal designee.
- The principal directed the After School Care Program manager to verify receipts are issued immediately upon receipt of payment to all payees.
- The principal directed the After School Care Program manager to reconcile funds received from Child Care Agency to the student attendance roster to ensure all monies due were received and discrepancies are cleared in a timely manner and to submit to the assistant principal designee for review.
- The principal directed the After School Care Program manager to maintain separate attendance rosters for the After school Care Program and the Story Hour Program.
- The principal directed the After School Care Program manager to verify attendance rosters at the end of the month to make certain that they are completed accurately and to submit to the assistant principal designee for review.

The following preventive strategies will be implemented to eliminate After School Care audit exceptions in the future:

- The principal will request on-going support and training for the After School Care Program manager and assistant principal designee to assist in monitoring the program from the Office of Adult/Vocational, Alternative and Community Education.
- The principal will check the collection process, the posting of transactions and the maintenance of records to ensure that payments are received for all services rendered, all collections are deposited in the account, and that all records are complete and accurate. Discrepancies will be addressed immediately.

Dr. Essie S. Pace
June 5, 2006
Page 3

- The assistant principal designee will check to ensure the After School Care Program manager has completed registration cards and that postings are accurate.
- The principal will conduct unannounced random reviews of the registration cards to ensure that they are being maintained properly and accurately. Discrepancies will be addressed immediately.
- The principal, on a random basis, will check to verify that payees are receiving receipts immediately upon payment. Discrepancies will be addressed immediately with staff and corrected immediately.
- The assistant principal designee will compare all receipts issued to student cards postings to ensure accurate bookkeeping. Discrepancies will be addressed immediately.
- The assistant principal will review all attendance rosters monthly to ensure completion and that the summary information listed on the roster is accurate.

If you need additional information, please contact me at (305) 649-2811.

Cc: Mr. Jorge L. Garcia

CORAL WAY K-8 CENTER
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE SCHOOL

Address: 1950 S.W. Avenue, Miami, Florida 33145

Date School Established: 1936

Grades: PK-5

Principal: Dr. Pablo G. Ortiz

Bookkeeper: Ms. Ada Hernandez

Community School Assistant Principals: Ms. Maria Cervantes (Through July 2005)
 Ms. Beatriz Benitez

Community School Secretaries: Ms. Gloria Piedra (Through November 2005)
 Ms. Andrea Rescaglio

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/05</u>
Checking Account:			
Wachovia Bank, N. A.	--	1.37	\$ 27,774.31
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	5,692.01
TOTAL			<u>\$ 33,466.32</u>

CORAL WAY K-8 CENTER (Continued)

AUDIT OPINION

The internal funds, purchasing credit card, and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to; and controls over the review and approval of the Authorized Applications for Employees by Locations Report were complied with. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

REGION CENTER IV

SCHOOL - 1121 CORAL WAY ELEMENTARY

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSEMENT	NET TRANSFER	ENDING BALANCE		
TRUST							
DONATIONS	1,049.00	.00	.00	.00	1,049.00		
FIELD TRIPS 1	630.09	4,304.50	4,237.00	697.59-	.00		
LIBRARY	4,810.80	70.00	4,662.93	2,876.81	3,094.68		
FIELD TRIPS 2	.00	905.00	905.00	.00	.00		
FIELD TRIPS 3	.00	6,567.00	6,379.00	188.00-	.00		
FIELD TRIPS 4	.00	6,679.00	6,664.12	14.88-	.00		
FIELD TRIPS 6	.00	1,230.50	1,230.50	.00	.00		
FIELD TRIPS 7	.00	1,350.00	1,350.00	.00	.00		
SPECIAL PURPOSE	3,256.35	.00	3,391.87	3,016.92	2,881.40		
UNCLAIMED STALE-	.00	.00	.00	29.50	29.50		
UNITED WAY	.00	1,761.00	1,761.00	.00	.00		
BOOK FAIR	.00	19,837.26	16,960.45	2,876.81-	.00		
FIELD TRIPS A-OU	.00	22,506.00	22,506.00	.00	.00		
FIELD TRIPS B-OU	.00	38,192.00	38,192.00	.00	.00		
FIELD TRIPS C-OU	.00	5,903.95	5,896.77	7.18-	.00		
FIELD TRIPS E-OU	421.85	.00	.00	421.85-	.00		
TRUST	10,168.09	109,306.21	114,136.64	1,716.92	7,054.58		
GENERAL							
GENERAL MISCELLA	7,677.29	.00	2,953.02	1,322.00	6,046.27		
INTEREST	.00	493.07	.00	.00	493.07		
SCHOOL PICTURES	.00	16,335.00	10,372.89	3,038.92-	2,923.19		
DONATIONS	.00	3,173.84	.00	.00	3,173.84		
MEMORY BOOKS	.00	7,500.00	6,779.52	.00	720.48		
GENERAL	7,677.29	27,501.91	20,105.43	1,716.92-	13,356.85		
INSTRUCTIONAL MATERI							
FUND-9 INST. MAT	8,018.49	11,578.76	12,684.92	.00	6,912.33		
INSTRUCTIONAL MATE	8,018.49	11,578.76	12,684.92	.00	6,912.33		
COMMUNITY SCHOOL							
BEFORE/AFTER SCH	.00	249,529.75	249,529.75	.00	.00		
COMM SCH CLASS F	.00	55,492.45	55,492.45	.00	.00		
COMM SCHL-FIELD	1,145.50	6,062.50	4,941.08	.00	2,266.92		
COMM SCHL-MATERI	900.37	4,832.00	2,846.83	.00	2,885.54		
COMM SCHL-ACTIVI	438.61	5,696.00	5,144.51	.00	990.10		
SUBSIDIZED CHILD	.00	38,144.20	38,144.20	.00	.00		
COMMUNITY SCHOOL	2,484.48	359,756.90	356,098.82	.00	6,142.56		
TOTAL	28,348.35	508,143.78	503,025.81	.00	33,466.32		
CHECKING	27,774.31	INVESTMENTS	.00	SBMF	5,692.01	TOTAL	33,466.32
		ACCOUNTS PAYABLE	.00		.00		

SPECIALIZED CENTERS

NEVA KING COOPER EDUCATIONAL CENTER
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE CENTER

Address: 151 N.W. Fifth Street, Homestead, Florida 33030

Date School Established: 1984

Grades: PK-12

Principal: Dr. Alberto T. Fernandez

Treasurer: Ms. Linda S. Lara

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	Interest Rate	<u>6/30/05</u>
<u>Checking Account:</u>			
Community Bank of Florida	--	0.15	<u>\$ 15,867.84</u>
TOTAL			<u>\$ 15,867.84</u>

AUDIT OPINION

The internal funds and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

SPECIALIZED EDUC

SCHOOL - 0921 NEVA KING COOPER ELEME

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
CLASSES AND CLUBS					
MUSIC CLUB	8.94	.00	.00	45.46-	36.52-
CLASSES AND CLUBS	8.94	.00	.00	45.46-	36.52-
TRUST					
DONATIONS	600.00	.00	.00	.00	600.00
FIELD TRIPS 1	122.27	.00	.00	122.27-	.00
SPECIAL EVENTS	22.02	.00	.00	.00	22.02
SPECIAL PURPOSE	8,723.99	10,446.00	11,569.77	.00	7,600.22
UNITED WAY	.00	25.00	25.00	.00	.00
HURRICANE DONATI	14.50	.00	.00	.00	14.50
TRUST	9,482.78	10,471.00	11,594.77	122.27-	8,236.74
GENERAL					
GENERAL MISCELLA	1,924.18	700.00	.00	167.73	2,791.91
INTEREST	.00	22.90	.00	.00	22.90
GENERAL	1,924.18	722.90	.00	167.73	2,814.81
INSTRUCTIONAL MATERI					
FUND-9 INST. MAT	7,197.55	16,874.69	19,219.43	.00	4,852.81
INSTRUCTIONAL MATE	7,197.55	16,874.69	19,219.43	.00	4,852.81
TOTAL	18,613.45	28,068.59	30,814.20	.00	15,867.84
CHECKING	15,867.84	INVESTMENTS	.00 SBMMF	.00 TOTAL	15,867.84
		ACCOUNTS PAYABLE	.00	.00	

MERRICK EDUCATIONAL CENTER
 AUDIT REPORT
 FOR THE 2004-05 FISCAL YEAR
 JULY 1, 2004 THROUGH JUNE 30, 2005

PROFILE OF THE CENTER

Address: 39 Zamora Avenue, Coral Gables Florida 33134

Date School Established: 1984

Grades: PK-12

Principal: Ms. Judith M. Slovin

Treasurers: Ms. Marisol Diaz (Through September 2005)
 Ms. Gay Veal (Through March 2006)
 Ms. Kristal Fredrick

CASH AND/OR INVESTMENT SUMMARY

	<u>Maturity Date</u>	Interest Rate	<u>6/30/05</u>
Checking Account:			
Sun Trust Bank		0.10	\$ 1,461.36
Investment:			
MDCPS-Money Market Pool Fund	Open-end	3.25	<u>25,807.60</u>
TOTAL			<u>\$ 27,268.96</u>

AUDIT OPINION

The internal funds and property records were properly maintained and equipment items with an individual cost of \$1,000 or more were accounted for. In addition, payroll procedures were generally adhered to. The financial statement of the internal funds of the school presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2004-05 fiscal year, on the cash basis of accounting. Our assessment of the controls in place to promote compliance with the Manual of Internal Fund Accounting indicated that the internal control structure at the school was generally functioning as designed by the school administration. With respect to the items tested, the school was in general compliance with the policies and procedures in the Manual of Internal Fund Accounting. 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.

SPECIALIZED EDUC
 SCHOOL - 9732 MERRICK EDUCATIONAL CE

FUNDS	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENT	NET TRANSFER	ENDING BALANCE
TRUST	2,791.47	1,651.90	5,608.48	2,999.00	1,833.89
GENERAL	5,173.46	1,230.45	1,590.59	.00	4,813.32
INSTRUCTIONAL MATE	19,133.50	11,019.19	9,963.14	2,999.00-	17,190.55
COMMUNITY SCHOOL	3,431.20	.00	.00	.00	3,431.20
TOTAL	30,529.63	13,901.54	17,162.21	.00	27,268.96

CHECKING 1,461.36 INVESTMENTS .00 SBMMF 25,807.60 TOTAL 27,268.96
 ACCOUNTS PAYABLE .00

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Miami-Dade County Public Schools
giving our students the world