MIAMI-DADE COUNTY PUBLIC SCHOOLS

Internal Audit Report

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Selected Schools

Two-Year Audits
Schools With A Change Of Principal
ETO Schools

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Most Financial Statements Were Fairly Stated;
However, At 13 Schools, Controls In Selected Areas Need Improvement.
At One Of The 13 Schools, Fraudulent Activity Uncovered During The Audit Resulted In The Former School Treasurer's Arrest.

December 2011

OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

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Raquel A. Regalado

November 29, 2011

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

Ladies and Gentlemen:

This report includes the audit results of 52 schools currently reporting to various regional centers, selected district offices and the Education Transformation Office. At 29 of the 52 schools, there was a change of Principal since the prior audit. The audit period for the schools is either one or two fiscal years ended June 30, 2011, depending on the individual school audited.

The main objectives of these audits were to express an opinion on the financial statements of the schools, evaluate compliance with District policies and procedures, and ensure that assets are properly safeguarded. The audits included a review of internal funds at all the schools. On a selected basis, we reviewed payroll, credit card purchases, Title I Program expenditures and procedures, FTE reporting and student records, aspects of data security and cafeteria collections. The results of property inventories are included for most of the schools reported herein and for other schools whose property audits have been completed at this time.

Our audits disclosed that the financial statements of 51 of the 52 schools reported herein were fairly stated. At 39 of the 52 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. However, at 13 schools, controls over the management and recordkeeping of the internal funds and the P-card, the oversight of the payroll function and time and attendance documentation procedures, the management of property, and compliance with FTE and Title I requirements need improvement. At one of these 13 schools, we uncovered the former school treasurer's misappropriation of funds, for which she was subsequently arrested. The matter was referred to the State Attorney's Office for prosecution. At another school, the treasurer altered the June 2011 checking account's bank statement to cover a deficit balance; however, nothing came to our attention during the audit to indicate that monies were missing. Property results were mostly satisfactory; however, some schools reported losses. Regarding Plant Security reports at one of these schools, region and district administrations provided a corrective action plan tailored to improve the safeguarding of property when schools relocate to other locations.

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

Sincerely,

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

JFM:mtg

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 52 schools. The 52 schools include 7 North Regional Center schools, 9 North Central Regional Center schools, 3 South Central Regional Center schools, 11 South Regional Center schools, 7 adult education centers and 2 alternative education centers that report to the district, and 13 schools that report to the Education Transformation Office (ETO). The audit period for 24 of the 52 schools is two fiscal years ended June 30, 2011; while the audit period for the remaining 28 schools is one fiscal year ended June 30, 2011. Of the 52 schools, 29 underwent a change of Principal since the prior audit. Additionally, Gateway Environmental K-8 Learning Center is a new school that opened in 2009 and results of its first (2-year) audit are included in this report.

The audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 39 of the 52 schools reported herein. The 13 schools with reported audit findings are:

	School Name	Region	Major Area(s) of Concern
1.	Miami Norland Senior	ETO	Internal Funds and FTE
2.	Miami Northwestern Senior	ETO	Internal Funds and Payroll
3.	Miami Southridge Senior	ETO	Internal Funds and Payroll
4.	North Miami Senior	ETO	Internal Funds
5.	Fienberg/Fisher K-8 Center	North	Internal Funds
6.	North Hialeah Elementary	North	Internal Funds
7.	Dr. Michael M. Krop Senior	North	Property
8.	Palmetto Elementary	South	Internal Funds
9.	Whispering Pines Elementary	South	Internal Funds
10.	M. A. Milam K-8 Center	North	FTE
11.	Gateway Environmental K-8 Learning Center	South	FTE
12.	Claude Pepper Elementary	South	FTE
13.	South Dade Senior	South	Title I

Audit findings cited control deficiencies over the internal funds' bookkeeping function and deposit/disbursement procedures; the accounting for fundraising merchandise and yearbooks; the oversight of the payroll function including the reporting of time and attendance; controls over the timeliness of purchases made with the purchasing credit card and the preparation of athletic ticket inventories; the management of property; and non-compliance with FTE and Title I Program requirements. Particularly at Miami Norland Senior High school, we uncovered the misappropriation of funds by the former school treasurer who is no longer employed with the school system. At Whispering

Pines Elementary, the treasurer altered bank statement information to cover a deficit balance during June 2011; however, nothing came to our attention during the audit to indicate that monies were missing. These matters are briefly explained in the summary below and in further detail on pages 36-39 and 40-42, respectively. Management agreed with our recommendations and provided responses for corrective action.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 22-25. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 36-117); and in the Appendix section in memorandum format (Pages 127-171).

Notwithstanding the conditions and findings reported herein, at 51 of the 52 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2009-2010 and/or 2010-2011 fiscal year, on the cash basis of accounting, depending on the school audited. At Miami Norland Senior High School, because of the misappropriation of funds during the 2010-2011 fiscal year as further explained in pages 36-39 of this report, the financial statement for the 2010-2011 fiscal year does not fairly represent the changes in fund balances arising from cash transactions. Notwithstanding this matter, the school's financial statement for the 2009-2010 fiscal year is fairly stated.

As of June 30, 2010, for 24 of the 52 schools reported herein, total combined receipts and disbursements amounted to $7,754,518 and $7,166,384, respectively; while total combined cash and investments amounted to $3,352,101 (Pages 12-13).

As of June 30, 2011, for all 52 schools reported herein, total combined receipts and disbursements amounted to $11,437,673 and $11,398,247, respectively; while total combined cash and investments amounted to $4,513,285 (Pages 14-17).

As of June 30, 2011, the internal control structure at 51 of the 52 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. At Miami Norland Senior, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration.

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

INTERNAL FUNDS

Internal funds records and procedures were reviewed at all 52 schools. Of this total, 44 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following 8 schools we found that:

- At Miami Norland Senior, our previous audit was completed in May 2010. Since then, there was a change of Principal in October 2010. We uncovered that the former Treasurer had misappropriated funds collected during May 2011. The case was referred to the Miami-Dade Schools' Police and the State Attorney's Office for further consideration of criminal charges. This individual is no longer employed with M-DCPS (Pages 36-39). The Athletic Fund closed at the end of both fiscal years with a large deficit balance. Questionable expenditures included the purchase of expensive championship rings for faculty staff, the former Principal and students; a year-end evening celebration for staff and administration partially paid with school funds; student incentives whose distribution was not documented; and the rental of mini-vans for transporting athletes and coaches to athletic events without proper approvals (Pages 43-48). The Collections/Deposits Log was not maintained to document overnight deposits; disbursements were not properly documented and vendor payments were not made in a timely manner (Pages 49-51). Finally, only 36 of the 150 yearbooks ordered were sold and the various yearbook reports contained errors (Page 87).

- At Whispering Pines, the Treasurer altered portions of the June 2011 checking account bank statement to conceal checking account deficit balances during a three-day period. The Principal reported the incident and the case was referred to M-DCPS' Civil Investigative Division (CIU). CIU corroborated our findings. The School Board's disciplinary action consisted of a five-day suspension from work without pay effective October 20, 2011. Several years ago, our office reported audit findings for this school with the same Treasurer under the tenure of a former Principal (Pages 40-42).

- At North Miami Senior, the prior audit cited non-compliance with deposit, disbursement and fundraising documentation guidelines. This audit continued to disclose similar conditions. The school was not properly utilizing the Collection/Deposits Log form to record overnight deposits; and deposit documentation was incomplete or showed a delay in the remittance of funds to the Treasurer (Pages 52-54). Disbursement documentation was inappropriate, incomplete, or not on file and vendor payments were not made in a timely manner. Hospitality and incentive-related disbursements for administrators, faculty and staff were charged to the wrong accounts or were questionable; and there was one instance where a large check was signed only by the Treasurer and cashed by the bank. The school purchased two IPADS; however, one of the

IPADS remained in the custody of a teacher who was no longer employed at the school. Upon our inquiry, the teacher reported the IPAD as stolen. Fund 9 expenditures were temporarily posted to a selected internal funds account to conceal that the school had spent more funds than were available, and to prevent a Fund 9 account deficit. These and other expenditures were charged to the Fund 9 account the following year once funds became available (Pages 58-61). The school did not comply with the District's healthy food guidelines since some of the fundraising merchandise contained calories, fat and sugar percentages in excess of the established levels. Our review of fundraising activities disclosed shortfalls in the monies collected, errors in the reports and/or incomplete supporting documentation (Pages 73-75). Although there were large inventories of unsold yearbooks in both 2009-2010 and 2010-2011 fiscal years, the school did not decrease the number of yearbooks ordered for 2011-2012. Various yearbook reports were either incomplete or not on file (Pages 85-86).

- At Miami Northwestern Senior, a review of disbursements made from internal funds and with the Purchasing credit card (P-card) disclosed that vendors were not always paid in a timely manner. Invoices for some of these expenditures not on file at the school were obtained at our request. Dormant donation accounts were used to pay for some of the outstanding liabilities; however, the intended use of the funds could not be determined based on available documentation. The school used the P-Card to purchase kindles and IPAD accessories for five IPads purchased for the school's administrative team. Three of the IPads remained in the custody of administrators *currently assigned to other work locations* and one of the kindles was missing. For the two-year audit period under review, the school was unable to report expenditures charged to the Fund 9 account in a timely manner because District funds were not available (Pages 62-65). The sale of physical education uniforms for the 2009-2010 and 2010-2011 fiscal years disclosed a shortfall in the revenues collected, which the school attributed to a theft of uniforms not formally documented nor reported to School Police. Also, students were charged above the cost of the uniforms (Pages 80-82). The yearbook activity disclosed low sales, large ending inventories of unsold books, incomplete bid documentation and yearbook activity operating reports that were not properly completed (Pages 83-84).

- At Palmetto Elementary, our review of Prekindergarten Enrichment Program collections disclosed that staff collected the initial payment at the time of student registration; however, these collections were withheld from deposit for some time during the audit period and the current year. The corresponding official receipts were issued after-the-fact and dated to coincide with the date of the deposits. Also, these funds were not recorded in the Collections/Deposit Log to show they were awaiting deposit at the school site (Pages 55-57).

- At Fienberg/Fisher K-8 Center, disbursements were not made in a timely manner. Invoices were not signed to indicate that goods/services had been received as specified and that payment was in order. Also, the Treasurer attempted to conceal that Fund 9 account expenditures had not been reported before the closing of the year (Pages 66-68). We also discovered discrepancies with the classroom (group) picture activity for both the 2009-2010 and 2010-2011 fiscal years. We were unable to determine whether any monies were missing from either activity since the vendor was unable to provide a clear accounting as to the number of picture packages that were delivered to the school for either fiscal year (Pages 76-79).

- At North Hialeah Elementary, a follow up to the school's prior year exception related to the untimely processing of expenditures charged to the Instructional Materials and Supplies account disclosed discrepancies with the disbursement function under the tenure of the former Principal. We found instances where disbursements were withheld from posting to the Special Purpose account until funds became available; and disbursements were modified between accounts to take advantage of those that had available balances. During both years, the school paid a membership fee for the former Principal's wholesale club primary membership card in conjunction with the school's company card. In addition, a complimentary household card was obtained and issued to the spouse of the primary account holder. During the 2010-2011 fiscal year, the renewal for both the primary wholesale club membership and the school's company card was made with funds from the General Miscellaneous account instead of the Special Purpose account. Based on the card's activity, it appears that it was mostly used to purchase provisions and supplies for hospitality-related events of the school (Pages 69-72).

- At Miami Southridge Senior, the verification of the athletic ticket inventory and ticket sales for the 2010-2011 fiscal year disclosed that the athletic ticket inventory report for the 2010-2011 fiscal year had not been prepared by year-end. An inventory was subsequently prepared by Athletic Department staff at our request. Our verification of the ticket inventory and subsidiary records disclosed that the inventory contained a few errors and omissions, and in two instances, game reports were not on file. Our review of collections associated with athletic activities also disclosed errors (Pages 88-89).

- At Fienberg/Fisher K-8 Center, disbursements were not made in a timely manner. Invoices were not signed to indicate that goods/services had been received as specified and that payment was in order. Also, the Treasurer attempted to conceal that Fund 9 account expenditures had not been reported before the closing of the year (Pages 66-68). We also discovered discrepancies with the classroom (group) picture activity for both the 2009-2010 and 2010-2011 fiscal years. We were unable to determine whether any monies were missing from either activity since the vendor was unable to provide a clear accounting as to the number of picture packages that were delivered to the school for either fiscal year (Pages 76-79).

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PAYROLL

We reviewed payroll records and procedures at the following 35 schools:

School Name	School Name	School Name	School Name
▪ Miami Norland Senior[1]	▪ Fienberg/Fisher K-8 Ctr.	▪ Lorah Park Elementary[1]	▪ Gateway Environmental K-8 Learning Center[2]
▪ Miami Northwestern Sr.[1]	▪ North Hialeah Elementary[1]	▪ Wesley Matthews El.[1]	▪ Whispering Pines Elementary
▪ Miami Southridge Sr.	▪ Dr. Michael M. Krop Senior[1]	▪ Myrtle Grove El.[1]	▪ Irving & Beatrice Peskoe K-8 Center[1]
▪ Phillis Wheatley El.	▪ Amelia Earhart Elementary[1]	▪ Palm Springs North El.[1]	▪ Pine Lake Elementary[1]
▪ Allapattah Middle[1]	▪ North Dade Middle[1]	▪ Lawton Chiles Middle[1]	▪ Winston Park K-8 Center[1]
▪ Madison Middle[1]	▪ Design & Architecture Sr.	▪ Doral Middle[1]	▪ Hialeah-Miami Lakes Adult Ed. Center[1]
▪ North Miami Middle[1]	▪ Gertrude K. Edelman/Sabal Palm El.[1]	▪ Silver Bluff Elementary[1]	▪ Miami Jackson Adult Ed. Ctr. [1]
▪ Parkway Middle[1]	▪ Hibiscus Elementary[1]	▪ Southwest Miami Sr.[1]	▪ Jan Mann Opportunity School [1]
▪ Miami Carol City Senior[1]	▪ Dr. Martin Luther King El.[1]	▪ Claude Pepper El.[1]	

At 33 of the 35 schools, there was general compliance with the *Payroll Processing Procedures Manual*.

- At Miami Northwestern Senior, our review of sampled pay periods under the tenure of the former school administration disclosed instances where the attendance reported on the Daily Payroll Attendance Sheets, Final Rosters and leave cards did not agree. We identified a few instances where hourly and daily paid staff was either over or under paid; one of these overpayments corresponded to the payroll clerk. Leave cards were incomplete, incorrect, or not presented for audit; and the employee's signature on the leave cards differed significantly between cards, thus giving the appearance that the card may have been signed by someone other than the employee and this condition not clearly denoted (Pages 90-92).

- At Miami Southridge Senior, the Cafeteria manager had signed in/out on the Daily Payroll Attendance Sheets on behalf of the entire cafeteria staff. According to the Cafeteria manager and the school administration, she had completed the Daily Payroll Attendance Sheets based on ancillary sign-in sheets completed by cafeteria staff; however, these documents could not be provided to support the time reported. There were a few other discrepancies noted with the payroll documents (Pages 93-95).

[1] Change of Principal since prior audit at this school (29 schools).
[2] This is a new school and the school's first time audit (1 school).

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▪ Miami Southridge Sr.	▪ Dr. Michael M. Krop Senior[1]	▪ Myrtle Grove El.[1]	▪ Irving & Beatrice Peskoe K-8 Center[1]
▪ Phillis Wheatley El.	▪ Amelia Earhart Elementary[1]	▪ Palm Springs North El.[1]	▪ Pine Lake Elementary[1]
▪ Allapattah Middle[1]	▪ North Dade Middle[1]	▪ Lawton Chiles Middle[1]	▪ Winston Park K-8 Center[1]
▪ Madison Middle[1]	▪ Design & Architecture Sr.	▪ Doral Middle[1]	▪ Hialeah-Miami Lakes Adult Ed. Center[1]
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PROPERTY

The results of physical inventories of property items with an individual cost of $1,000 or more are reported for 48 schools. This total includes the property results of 43 of the 52 schools in this report; and 5 that were pending publication from the previous audit report in September 2011. Property audits for 9 school audits could not be finalized in time to include in this report and will be reported at a later date this fiscal year.

A total of 12,340 equipment items with a total approximate cost of $31.4 million were inventoried at these 48 schools, of which 40 proved satisfactory. For the remaining 8 schools, results disclosed that a total of 90 equipment items with a depreciated value of approximately $9,800 and a total approximate cost of $117,000 could not be located (refer to Property Schedules on pages 32-34).

At the school with the highest number of “unlocated” property being reported, Dr. Michael M. Krop Senior, according to the school administration, controlled equipment was improperly disposed of when staff misunderstood instructions associated with a pilot program for recycling equipment at school sites (Pages 96-99). We have cited this condition in the school’s audit report since the property loss materially exceeded the 0.33% threshold established for reporting “unlocated” property. Refer to the Property Schedule on page 32 where the individual school’s losses equate to 3.35% of the total cost of the school’s inventory at the time of the property audit.

Property inventories also include the review of property losses reported by the schools through the Plant Security Report process. Our analysis of Plant Security Report losses reported by 9 schools from this group disclosed that 53 items with a depreciated value of approximately $25,000 and a total approximate cost of $153,800 were reported missing (Page 35).

At the school with the highest number of losses reported via Plant Security Reports, North Dade Middle, a significant number of equipment items was stolen during relocation efforts of the school. Unusual and extenuating circumstances required that the school building be closed and the entire school be relocated from its original site to the former North Miami Senior High School site and then displaced again to the former Miami Carol City Senior High School. The equipment was apparently stolen after this second unprecedented relocation effort. Consequently, Region and District administration have provided a brief explanation and corrective action plans addressing security and movement of the equipment during and immediately after relocation efforts. Refer to page 171 of the Appendix for this response.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following 14 schools:

School Name	School Name
▪ Miami Northwestern Senior	▪ Wesley Matthews Elementary
▪ Miami Southridge Senior	▪ Silver Bluff Elementary
▪ North County K-8 Center	▪ Gateway Environmental K-8 Learning Center
▪ Lenora Braynon Smith Elementary	▪ South Dade Senior
▪ North Miami Middle	▪ Avocado Elementary
▪ Miami Carol City Senior	▪ Irving & Beatrice Peskoe K-8 Center
▪ Design & Architecture Sr.	▪ Winston Park K-8 Center

Our review disclosed that 13 of 14 schools listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

- At Miami Northwestern Senior, a review of disbursements made with internal funds and the Purchasing credit card (P-card) disclosed instances in which the school did not pay vendors in a timely manner (Pages 62-65).

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following 9 schools were selected for these audits:

School Name	Region	Survey Period	FTE Funding
Miami Norland Senior	ETO	2010-11 October 2010	$ 2,854,931
M. A. Milam K-8 Center	North	2010-11 February 2011	2,310,895
Amelia Earhart Elementary	North	2010-11 February 2011	1,118,940
Hibiscus Elementary	North Central	2010-11 February 2011	1,235,423
Doral Middle	North Central	2010-11 February 2011	1,472,231
Silver Bluff Elementary	South Central	2010-11 February 2011	1,098,166
Gateway Environmental K-8 Learning Ctr.	South	2010-11 February 2011	2,366,463
Claude Pepper Elementary	South	2010-11 February 2011	1,721,572
Winston Park K-8 Center	South	2010-11 February 2011	2,647,625
		Total FTE Funding	$ 16,826,246

The total FTE funding amounted to approximately $16.8 million for the 9 schools combined. FTE records reviewed corresponded to the 2010-2011 fiscal year Survey Periods 2 or 3 (October 2010 or February 2011), depending on the timing of the school visit.

Our FTE reviews disclosed that 5 of the 9 schools were generally compliant with District policy. Minor discrepancies identified during these audits were discussed with the respective school administration for their information and corrective action. However, at the following four schools, the discrepancies are being reported because the error rate identified in the samples was high, between 65% and 100%:

- At Miami Norland Senior, M. A. Milam K-8 Center, Gateway Environmental K-8 Learning Center and Claude Pepper Elementary schools, documentation such as ELL/LEP[3] Student Plans, Home Language Surveys, Notice to Parents/Guardians or similar documentation related to the ELL program was not filed in the student folder or the information reviewed was incomplete and/or disclosed discrepancies. These lapses in compliance could have generated potential funding disallowances to the district (Pages 100-102, 103-105, 106-109 and 110-113, respectively).

[3] English Language Learners/Limited English Proficiency.

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

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

School Name	Region	Total Expenditures
South Dade Senior	South	$ 1,409,058
Gertrude K. Edelman/Sabal Palm Elementary	North Central	296,385
	Total Expenditures	$ 1,705,443

Total expenditures incurred under various Title I programs amounted to approximately $1.7 million. Results of our audits disclosed that one of the 2 schools was generally compliant with the policies and procedures established by the *Title I Administration Handbook.* Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

- At South Dade Senior, of $142,742 budgeted for hourly and non-payroll expenditures, the school only spent $53,262 (37%). A total of $89,480 (63%) in the various Schoolwide Title I Program fund accounts remained unspent, which the school was unable to carry forward for the next fiscal year (Pages 114-117).

DATA SECURITY

We reviewed the report titled "Authorized Applications for Employees by Locations Report" at 16 schools. At 3 of the 16 schools, we conducted a more thorough review of the school site IT function. The 16 schools are:

Schools	Schools
▪ Miami Southridge Senior	▪ Dr. Martin Luther King Elementary
▪ North Miami Senior	▪ Lorah Park Elementary
▪ Allapattah Middle	▪ Myrtle Grove Elementary
▪ North Hialeah Elementary	▪ Lawton Chiles Middle
▪ Dr. Michael M. Krop Senior	▪ Doral Middle[4]
▪ North Dade Middle	▪ Southwest Miami Senior[4]
▪ Design & Architecture Sr.	▪ Gateway Environmental K-8 Learning Center
▪ Gertrude K. Edelman/Sabal Palm El.[4]	▪ Coral Reef Senior

Our review disclosed that all 16 schools generally complied with the review of the report and with the requirements for granting access to system applications. Furthermore, at 3 of the 16 schools, our review of selected aspects of the school's site IT function disclosed that IT equipment such as servers, switches and routers were properly located and safeguarded; and school administration had generally informed staff of the requirements for backing-up critical data and the security of the network.

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

FOOD SERVICE PROGRAM

Our review of selected controls over the cash register operation and daily deposit activity at Miami Northwestern Senior disclosed general compliance with the *Food and Nutrition Procedures*.

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments *as of June 30, 2010 and/or June 30, 2011, depending on the school audited for the schools included herein*. It also provides the audit opinion regarding the schools' financial statements:

[4] Selected IT review at this school (3 schools).

CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010

The Condensed Annual Financial reports and Total Cash and Investments as of June 30, 2010 for the following 24 schools are:

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
Education Transformation Office (ETO) Schools									
7381	Miami Norland Senior	$ 136,794.95	$ 469,347.08	$ 489,550.72	$ 116,591.31	$12,936.20	$103,655.11	-	$ 116,591.31
7411	Miami Northwestern Senior	131,496.42	622,593.17	589,700.61	164,388.98	38,042.82	126,346.16	-	164,388.98
7731	Miami Southridge Senior	118,016.32	441,126.45	447,691.78	111,450.99	19,651.15	91,799.84	-	111,450.99
7591	North Miami Senior	69,898.15	589,349.14	496,583.86	162,663.43	40,420.85	122,242.58	-	162,663.43
North Regional Center Schools									
0761	Fienberg/Fisher K-8 Center	110,767.54	154,191.05	121,828.56	143,130.03	39,940.12	103,189.91	-	143,130.03
3421	M. A. Milam K-8 Center	13,514.53	152,914.87	153,551.74	12,877.66	2,532.70	10,344.96	-	12,877.66
3901	North Hialeah Elementary	12,361.67	33,079.40	28,917.14	16,523.93	10,973.72	5,550.21	-	16,523.93
7081	Design & Architecture Senior	70,953.39	226,920.48	185,721.99	112,151.88	53,914.53	58,237.35	-	112,151.88
North Central Regional Center Schools									
1681	Lillie C. Evans K-8 Center	6,857.63	19,408.56	16,984.44	9,281.75	4,502.86	4,778.89	-	9,281.75
South Regional Center Schools									
4031	Gateway Environmental K-8 L. Ctr.[1]	-	111,221.66	98,833.05	12,388.61	12,388.61	-	-	12,388.61
4221	Palmetto Elementary	8,213.69	411,267.97	392,829.49	26,652.17	18,542.96	8,109.21	-	26,652.17
0831	Claude Pepper Elementary	23,752.01	257,008.98	250,341.07	30,419.92	1,146.71	29,273.21	-	30,419.92

1 School opened in August 2009. The school's first audit is a two-year audit.

CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
5951	Whispering Pines Elementary	21,989.16	252,130.80	247,653.88	26,466.08	4,447.32	22,018.76	-	26,466.08
7701	South Dade Senior	158,957.26	533,026.03	508,180.71	183,802.58	21,355.79	162,446.79	-	183,802.58
0161	Avocado Elementary	23,147.69	110,007.22	105,935.12	27,219.79	1,298.53	25,921.26	-	27,219.79
6861	Southwood Middle	92,929.77	238,757.03	221,943.22	109,743.58	21,709.57	88,034.01	-	109,743.58
7101	Coral Reef Senior	239,010.10	1,176,041.61	1,179,426.91	235,624.80	27,426.98	208,197.82	-	235,624.80
Adult Education Centers									
7012	American Adult Education Center	374,452.02	200,970.14	199,610.96	375,811.20	57,007.20	318,804.00	-	375,811.20
7072	Coral Gables Adult Ed. Center	184,075.23	350,966.42	158,264.92	376,776.73	71,487.91	305,288.82	-	376,776.73
7132	Hialeah- Miami Lakes Adult Ed. Ctr.	278,434.86	296,684.57	260,799.45	314,319.98	37,897.89	276,422.09	-	314,319.98
7462	Miami Senior Adult Ed. Center	110,361.87	407,601.78	373,948.83	144,014.82	44,546.99	99,467.83	-	144,014.82
7592	North Miami Adult Ed. Center	394,116.22	327,752.04	283,702.86	438,165.40	25,528.74	412,636.66	-	438,165.40
7742	Southwest Miami Adult Ed. Center	104,453.08	315,458.16	288,161.59	131,749.65	45,684.00	86,065.65	-	131,749.65
Alternative Education Center									
7631	Miami MacArthur South Sr.	79,413.40	56,693.00	66,220.83	69,885.57	34,631.83	35,253.74	-	69,885.57
TOTALS		$ 2,763,966.96	$ 7,754,517.61	$ 7,166,383.73	$ 3,352,100.84	$648,015.98	$ 2,704,084.86	$ -	$ 3,352,100.84

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

The Condensed Annual Financial reports and Total Cash and Investments as of June 30, 2011 for the following 52 schools are:

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
Education Transformation Office (ETO) Schools									
7381	Miami Norland Senior	$ 116,591.31	$ 392,742.05	$ 415,821.98	$ 93,511.38	$29,279.02	$ 64,232.36	$ -	$ 93,511.38
7411	Miami Northwestern Senior	164,388.98	617,477.96	672,386.14	109,480.80	22,438.51	87,042.29	-	109,480.80
7731	Miami Southridge Senior	111,450.99	444,085.78	446,861.76	108,675.01	16,214.52	92,460.49	-	108,675.01
7591	North Miami Senior	162,663.43	503,047.68	519,608.23	146,102.88	2,776.20	143,326.68	-	146,102.88
5861	Dr. H. W. Mack/W. Little River K-8	12,785.47	12,748.32	13,138.78	12,395.01	7,196.28	5,198.73	-	12,395.01
3821	North County K-8 Center	13,626.05	26,756.90	29,565.07	10,817.88	3,916.52	6,901.36	-	10,817.88
0081	Lenora Braynon Smith Elementary	14,917.29	27,148.32	23,832.91	18,232.70	10,076.69	8,156.01	-	18,232.70
5931	Phillis Wheatley Elementary	6,146.82	17,464.09	15,961.09	7,649.82	4,687.00	2,962.82	-	7,649.82
6011	Allapattah Middle	34,747.41	38,700.83	41,861.41	31,586.83	10,493.30	21,093.53	-	31,586.83
6391	Madison Middle	18,653.21	29,341.72	27,949.09	20,045.84	9,778.88	10,266.96	-	20,045.84
6631	North Miami Middle	17,633.73	52,142.21	44,008.75	25,767.19	12,877.80	12,889.39	-	25,767.19
6721	Parkway Middle	31,873.04	49,645.76	54,897.12	26,621.68	6,707.94	19,913.74	-	26,621.68
7231	Miami Carol City Senior	183,780.32	527,069.95	515,381.06	195,469.21	21,678.59	173,790.62	-	195,469.21
North Regional Center Schools									
0761	Fienberg/Fisher K-8 Center	143,130.03	189,006.07	121,618.41	210,517.69	106,603.38	103,914.31	-	210,517.69
3421	M. A. Milam K-8 Center	12,877.66	125,851.74	128,790.69	9,938.71	1,521.12	8,417.59	-	9,938.71
3901	North Hialeah Elementary	16,523.93	18,535.78	22,786.54	12,273.17	6,683.99	5,589.18	-	12,273.17

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

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7141	Dr. Michael M. Krop Senior	259,365.70	873,176.60	951,240.56	181,301.74	27,450.53	153,851.21	-	181,301.74
1521	Amelia Earhart Elementary	16,227.51	82,926.73	83,679.53	15,474.71	3,342.21	12,132.50	-	15,474.71
6591	North Dade Middle	23,734.35	44,414.38	47,730.14	20,418.59	6,260.44	14,158.15	-	20,418.59
7081	Design & Architecture Senior	112,151.88	199,320.26	190,719.90	120,752.24	62,106.05	58,646.19	-	120,752.24
North Central Regional Center Schools									
4801	Gertrude K. Edelman/Sabal Palm El.	18,952.01	21,818.08	17,532.26	23,237.83	5,937.58	17,300.25	-	23,237.83
1681	Lillie C. Evans K-8 Center	9,281.75	13,831.86	14,243.61	8,870.00	4,057.56	4,812.44	-	8,870.00
2401	Hibiscus Elementary	16,535.99	37,159.65	34,360.83	19,334.81	13,582.37	5,752.44	-	19,334.81
2761	Dr. Martin Luther King Elementary	12,590.62	2,659.50	4,335.06	10,915.06	6,258.28	4,656.78	-	10,915.06
3041	Lorah Park Elementary	20,222.28	21,707.55	25,678.25	16,251.58	2,236.45	14,015.13	-	16,251.58
3581	Myrtle Grove Elementary	9,659.56	32,845.54	30,696.72	11,808.38	5,575.11	6,233.27	-	11,808.38
4281	Palm Springs North Elementary	32,377.28	394,417.10	404,383.25	22,411.13	563.23	21,847.90	-	22,411.13
6161	Lawton Chiles Middle	42,193.21	58,430.66	64,616.92	36,006.95	13,888.88	22,118.07	-	36,006.95
6151	Doral Middle	38,972.36	94,960.65	94,336.66	39,596.35	27,409.84	12,186.51	-	39,596.35
South Central Regional Center Schools									
3111	Wesley Matthews Elementary	18,239.21	285,310.85	287,244.25	16,305.81	9,035.34	7,270.47	-	16,305.81
5041	Silver Bluff Elementary	26,059.01	226,029.25	234,858.52	17,229.74	1,163.73	16,066.01	-	17,229.74
7741	Southwest Miami Senior	165,210.39	835,485.80	854,045.87	146,650.32	19,148.39	127,501.93	-	146,650.32

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

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
South Regional Center Schools									
4031	Gateway Environmental K-8 L. Ctr.	12,388.61	167,076.81	165,742.07	13,723.35	13,723.35	-	-	13,723.35
4221	Palmetto Elementary	26,652.17	366,695.49	371,707.36	21,640.30	13,474.16	8,166.14	-	21,640.30
0831	Claude Pepper Elementary	30,419.92	211,703.03	209,567.34	32,555.61	3,076.89	29,478.72	-	32,555.61
5951	Whispering Pines Elementary	26,466.08	228,939.77	231,204.62	24,201.23	2,027.88	22,173.35	-	24,201.23
7701	South Dade Senior	183,802.58	648,146.69	625,847.40	206,101.87	37,098.69	169,003.18	-	206,101.87
0161	Avocado Elementary	27,219.79	55,554.73	65,499.74	17,274.78	174.52	17,100.26	-	17,274.78
4391	Irving & Beatrice Peskoe K-8 Center	16,162.12	26,402.23	27,381.05	15,183.30	10,308.24	4,875.06	-	15,183.30
4441	Pine Lake Elementary	14,887.26	21,949.59	25,411.54	11,425.31	1,066.42	10,358.89	-	11,425.31
5961	Winston Park K-8 Center	32,878.92	421,655.33	421,156.26	33,377.99	22,914.53	10,463.46	-	33,377.99
6861	Southwood Middle	109,743.58	177,894.90	186,528.87	101,109.61	12,457.56	88,652.05	-	101,109.61
7101	Coral Reef Senior	235,624.80	1,138,313.96	1,121,111.40	252,827.36	12,821.77	240,005.59	-	252,827.36
Adult Education Centers									
7012	American Adult Education Center	375,811.20	161,768.65	124,449.76	413,130.09	52,076.21	361,053.88	-	413,130.09
7072	Coral Gables Adult Ed. Center	376,776.73	303,894.73	299,481.24	381,190.22	73,758.19	307,432.03	-	381,190.22
7132	Hialeah-Miami Lakes Adult Ed. Ctr.	314,319.98	229,052.07	183,840.73	359,531.32	51,092.89	308,438.43	-	359,531.32
7342	Miami Jackson Adult Ed. Center	17,285.06	32,946.92	37,416.14	12,815.84	1,305.17	11,510.67	-	12,815.84
7462	Miami Senior Adult Ed. Center	144,014.82	289,052.52	251,483.97	181,583.37	61,408.39	120,174.98	-	181,583.37
7592	North Miami Adult Education Center	438,165.40	365,343.25	298,871.85	504,636.80	59,090.04	445,546.76	-	504,636.80

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

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7742	Southwest Miami Adult Ed. Center	131,749.65	235,504.33	238,060.14	129,193.84	17,532.54	111,661.30	-	129,193.84
Alternative Education Centers									
8101	Jan Mann Opportunity School	6,042.29	14,962.28	12,297.82	8,706.75	6,745.00	1,961.75	-	8,706.75
7631	Miami MacArthur South Sr.	69,885.57	44,555.81	67,016.19	47,425.19	11,923.96	35,501.23	-	47,425.19
TOTALS		$ 4,473,859.31	$ 11,437,672.71	$ 11,398,246.85	$ 4,513,285.17	$945,022.13	$ 3,568,263.04	$ -	$ 4,513,285.17

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

Notwithstanding the conditions and findings reported herein, at 51 of the 52 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2009-2010 and/or 2010-2011 fiscal year, on the cash basis of accounting, depending on the school audited. At Miami Norland Senior High School, because of the misappropriation of funds during the 2010-2011 fiscal year, as further explained in pages 36-39 of this report, the financial statement for the 2010-2011 fiscal year does not fairly represent the changes in fund balances arising from cash transactions. Notwithstanding this matter, the school's financial statement for the 2009-2010 fiscal year is fairly stated.

As of June 30, 2010, for 24 of the 52 schools and centers reported herein, total combined receipts and disbursements amounted to $7,754,517.61 and $7,166,383.73, respectively; while total combined cash and investments amounted to $ 3,352,100.84.

As of June 30, 2011, for all 52 schools and centers reported herein, total combined receipts and disbursements amounted to $ 11,437,672.71 and $ 11,398,246.85, respectively; while total combined cash and investments amounted to $ 4,513,285.17.

As of June 30, 2011, the internal control structure at 51 of the 52 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. At Miami Norland Senior, as reflected in this report, the internal controls structure was not functioning as designed by the school and district administration.

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

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

INTERNAL CONTROLS RATING

The internal controls rating of the 13 schools reported herein with audit exceptions are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Education Transformation Office (ETO) Schools							
Miami Norland Senior		✓			✓		Likely to impact
Miami Northwestern Sr.		✓			✓		Likely to impact
Miami Southridge Senior		✓			✓		Likely to impact
North Miami Senior		✓			✓		Likely to impact
North Regional Center Schools							
Fienberg/Fisher K-8 Ctr.		✓			✓		Likely to impact
M. A. Milam K-8 Center		✓			✓		Likely to impact
North Hialeah Elementary		✓			✓		Likely to impact
Dr. Michael M. Krop Sr.		✓			✓		Likely to impact
South Regional Center Schools							
Gateway Environmental K-8 Learning Center		✓			✓		Likely to impact
Palmetto Elementary		✓			✓		Likely to impact
Claude Pepper Elementary		✓			✓		Likely to impact
Whispering Pines Elementary		✓			✓		Likely to impact
South Dade Senior		✓			✓		Likely to impact

INTERNAL CONTROLS RATING

The internal controls rating of the 39 schools reported herein with no audit exceptions are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Education Transformation Office (ETO) Schools							
Dr. H. W. Mack/W. Little K-8 Center	✓			✓			Not Likely to impact
North County K-8 Center	✓			✓			Not Likely to impact
Lenora Braynon Smith Elementary	✓			✓			Not Likely to impact
Phillis Wheatley Elementary	✓			✓			Not Likely to impact
Allapattah Middle	✓			✓			Not Likely to impact
Madison Middle	✓			✓			Not Likely to impact
North Miami Middle	✓			✓			Not Likely to impact
Parkway Middle	✓			✓			Not Likely to impact
Miami Carol City Senior	✓			✓			Not Likely to impact
North Regional Center Schools							
Amelia Earhart Elementary	✓			✓			Not Likely to impact
North Dade Middle	✓			✓			Not Likely to impact
Design & Architecture Sr.	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
North Central Regional Center Schools							
Gertrude K. Edelman/Sabal Palm El.	✓			✓			Not Likely to impact
Lillie C. Evans Elementary	✓			✓			Not Likely to impact
Hibiscus Elementary	✓			✓			Not Likely to impact
Dr. Martin Luther King Elementary	✓			✓			Not Likely to impact
Lorah Park Elementary	✓			✓			Not Likely to impact
Myrtle Grove Elementary	✓			✓			Not Likely to impact
Palm Springs North Elementary	✓			✓			Not Likely to impact
Lawton Chiles Middle	✓			✓			Not Likely to impact
Doral Middle	✓			✓			Not Likely to impact
South Central Regional Center Schools							
Wesley Matthews Elementary	✓			✓			Not Likely to impact
Silver Bluff Elementary	✓			✓			Not Likely to impact
Southwest Miami Senior	✓			✓			Not Likely to impact
South Regional Center Schools							
Avocado Elementary	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Irving & Beatrice Peskoe K-8 Center	✓			✓			Not Likely to impact
Pine Lake Elementary	✓			✓			Not Likely to impact
Winston Park K-8 Center	✓			✓			Not Likely to impact
Southwood Middle	✓			✓			Not Likely to impact
Coral Reef Senior	✓			✓			Not Likely to impact
Adult Education Centers							
American Adult Education Center	✓			✓			Not Likely to impact
Coral Gables Adult Education Center	✓			✓			Not Likely to impact
Hialeah-Miami Lakes Adult Education Center	✓			✓			Not Likely to impact
Miami Jackson Adult Education Center	✓			✓			Not Likely to impact
Miami Senior Adult Education Center	✓			✓			Not Likely to impact
North Miami Adult Education Center	✓			✓			Not Likely to impact
Southwest Miami Adult Education Center	✓			✓			Not Likely to impact
Alternative Education Centers							
Jan Mann Opportunity School	✓			✓			Not Likely to impact
Miami MacArthur South Senior	✓			✓			Not Likely to impact

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at the 13 schools reported herein with audit exceptions are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
Education Transformation Office (ETO) Schools					
7381	Miami Norland Senior	5	▪ Misappropriation ▪ Athletic Fund ▪ Deposit/Disbursements ▪ Yearbook ▪ FTE-ELL	None	
7411	Miami Northwestern Senior	4	▪ Disbursements ▪ Yearbook ▪ P.E. Sales ▪ Payroll	1	▪ Athletic Fund
7731	Miami Southridge Senior	2	▪ Athletic Tickets ▪ Payroll	None	
7591	North Miami Senior	4	▪ Deposits ▪ Disbursements ▪ Fundraising ▪ Yearbook	6	▪ Fin. Mgt. ▪ Disbursements (2) ▪ EESAC ▪ FTE-ESE ▪ FTE-ELL
North Regional Center Schools					
0761	Fienberg/Fisher K-8 Center	2	▪ Disbursements ▪ Pictures	None	
3421	M. A. Milam K-8 Center	1	▪ FTE-ELL	None	
3901	North Hialeah Elementary	1	▪ Disbursements	1	▪ Disbursements/Fund 9
7141	Dr. Michael M. Krop Senior	1	▪ Property	None	
South Regional Center Schools					
4031	Gateway Environmental K-8 Learning Ctr.	1	▪ FTE-ELL	None	
4221	Palmetto Elementary	1	▪ Pre-K Deposits	None	
0831	Claude Pepper Elementary	1	▪ FTE-ELL	None	
5951	Whispering Pines Elementary	1	▪ Alteration of Records	None	
7701	South Dade Senior	1	▪ Title I Funds	None	
TOTAL		25		8	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at the 39 schools reported herein with no audit exceptions are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
Education Transformation Office (ETO) Schools					
5861	Dr. H. W. Mack/W. Little K-8 Center	None		None	
3821	North County K-8 Center	None		None	
0081	Lenora Braynon Smith Elementary	None		None	
5931	Phillis Wheatley Elementary	None		None	
6011	Allapattah Middle	None		None	
6391	Madison Middle	None		None	
6631	North Miami Middle	None		None	
6721	Parkway Middle	None		None	
7231	Miami Carol City Senior	None		None	
North Regional Center Schools					
1521	Amelia Earhart Elementary	None		None	
6591	North Dade Middle	None		None	
7081	Design & Architecture Senior	None		3	▪ Disbursements ▪ Payroll ▪ Special Purpose
North Central Regional Center Schools					
4801	Gertrude K. Edelman/Sabal Palm El.	None		None	
1681	Lillie C. Evans K-8 Center	None		None	
2401	Hibiscus Elementary	None		None	
2761	Dr. Martin Luther King Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
3041	Lorah Park Elementary	None		None	
3581	Myrtle Grove Elementary	None		None	
4281	Palm Springs North Elementary	None		None	
6161	Lawton Chiles Middle	None		None	
6151	Doral Middle	None		None	
South Central Regional Center Schools					
3111	Wesley Matthews Elementary	None		None	
5041	Silver Bluff Elementary	None		None	
7741	Southwest Miami Senior	None		None	
South Regional Center Schools					
0161	Avocado Elementary	None		None	
4391	Irving & Beatrice Peskoe K-8 Center	None		1	▪ FTE-ELL
4441	Pine Lake Elementary	None		None	
5961	Winston Park K-8 Center	None		None	
6861	Southwood Middle	None		None	
7101	Coral Reef Senior	None		None	
Adult Education Centers					
7012	American Adult Education Center	None		None	
7072	Coral Gables Adult Education Center	None		None	
7132	Hialeah-Miami Lakes Adult Ed. Center	None		None	
7342	Miami Jackson Adult Ed. Center	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
7462	Miami Senior Adult Education Center	None		None	
7592	North Miami Adult Education Center	None		1	▪ Fin. Records
7742	Southwest Miami Adult Education Center	None		None	
Alternative Education Centers					
8101	Jan Mann Opportunity School	None		None	
7631	Miami MacArthur South Senior	None		None	
TOTAL		None		5	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
Education Transformation Office (ETO) Schools			
7381	Miami Norland Senior	Mr. Luis B. Solano	Dr. Derick R. McKoy (Through October 2010; presently Principal at Eneida M. Hartner Elementary)
7411	Miami Northwestern Senior	Mr. Wallace Aristide	Mr. Charles E. Hankerson (Through July 2011; presently Principal on Special Assignment)
7731	Miami Southridge Senior	Dr. David K. Moore	N/A = No Change of Principal Since Prior Audit
7591	North Miami Senior	Mr. Michael A. Lewis	N/A = No Change of Principal Since Prior Audit
5861	Dr. Henry W. Mack/West Little River K-8 Center	Ms. Martha Z. Harris	N/A = No Change of Principal Since Prior Audit
3821	North County K-8 Center	Ms. Melissa M. Mesa	N/A = No Change of Principal Since Prior Audit
0081	Lenora Braynon Smith Elementary	Dr. Earl Burth	N/A = No Change of Principal Since Prior Audit
5931	Phillis Wheatley Elementary	Ms. Catalina Flor	N/A = No Change of Principal Since Prior Audit
6011	Allapattah Middle	Mr. Humberto J. Miret	Mr. Leonard Torres (Through July 2011; presently Assistant Principal at Barbara Goleman Sr.)
6391	Madison Middle	Ms. Renny L. Neyra	Dr. Tonya S. Dillard (Through June 2011; presently Principal at North Dade Middle)

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
6631	North Miami Middle	Mr. Alberto Iber	Ms. Melanie E. Megias (Through June 2011; presently Principal at Rockway Middle) Mr. Christopher Gonzalez (Through July 2011; presently Assistant Principal at Miami Beach Senior)
6721	Parkway Middle	Ms. Elvira C. Ruiz	Dr. Allison Harley (Through June 2011; presently Principal at Palmetto Senior)
7231	Miami Carol City Senior	Mr. Jamarv R. Dunn	Mr. Nelson Izquierdo (Through July 2011; presently Principal at Lawton Chiles Middle)
North Regional Center Schools			
0761	Fienberg/Fisher K-8 Center	Ms. Maria G. Zabala	N/A = No Change of Principal Since Prior Audit
3421	M. A. Milam K-8 Center	Ms. Anna M. Hernandez	N/A = No Change of Principal Since Prior Audit
3901	North Hialeah Elementary	Mr. John Messersmith	Mr. John G. Schoeck (Through June 30, 2011; retired)
7141	Dr. Michael M. Krop Senior	Ms. Dawn M. Baglos	Dr. Matthew J. Welker (Through July 2011; presently Assistant Principal at Eugenia B. Thomas K-8 Center)
1521	Amelia Earhart Elementary	Ms. Lisa K. Wiggins	Ms. Maribel B. Dotres (Through July 2011; presently Principal at Palm Springs North Elementary)
6591	North Dade Middle	Dr. Tonya S. Dillard	Mr. Lowell C. Crawford (Through June 2011; retired)
7081	Design & Architecture Senior	Dr. Stacey H. Mancuso	N/A = No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
North Central Regional Center Schools			
4801	Gertrude K. Edelman/Sabal Palm Elementary	Dr. Doylene N. Tarver	Ms. Joyce R. Jones (Through July 2011; presently Principal at Carol City Middle)
1681	Lillie C. Evans K-8 Center	Ms. Wanda R. Heidelburg	N/A = No Change of Principal Since Prior Audit
2401	Hibiscus Elementary	Ms. Kim W. Cox	Dr. Dyona S. McLean (Through June 2011; retired)
2761	Dr. Martin Luther King Elementary	Dr. Barbara T. Hawkins	Dr. Henry N. Crawford (Through June 2011; retired)
3041	Lorah Park Elementary	Ms. Heather D. Tyler	Ms. Mattye H. Jones (Through July 2011; presently at North Central Regional Center)
3581	Myrtle Grove Elementary	Mr. John D. Pace, III	Dr. Dianne W. Jones (Through June 2011; presently Principal at Thena C. Crowder Elementary)
4281	Palm Springs North Elementary	Ms. Maribel B. Dotres	Dr. Manuel Sanchez, III (Through July 2011; presently Principal at Miami Lakes Middle)
6161	Lawton Chiles Middle	Mr. Nelson Izquierdo	Mr. John Messersmith (Through July 2011; presently Principal at North Hialeah Elementary)
6151	Doral Middle	Ms. Marie P. Caceres	Ms. Tatiana De Miranda (Through August 2011; presently Assistant Principal at Felix Varela Senior)

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
South Central Regional Center Schools			
3111	Wesley Matthews Elementary	Ms. Deborah Darbonne Roberts	Dr. Annette M. Diaz (Through July 2011; presently Principal at Claude Pepper Elementary)
5041	Silver Bluff Elementary	Ms. Maria C. Mason	Dr. Brenda B. Dawkins (Through July 2011; retired)
7741	Southwest Miami Senior	Mr. Carlos A. Diaz	Mr. James R. Haj (Through July 2011; presently Administrative Director, Labor Relations)
South Regional Center Schools			
4031	Gateway Environmental K-8 Learning Center	Ms. Carmen G. Gutierrez	N/A = New School
4221	Palmetto Elementary	Mr. Eric Torres	N/A = No Change of Principal Since Prior Audit
0831	Claude Pepper Elementary	Dr. Annette M. Diaz	Ms. Deborah Darbonne Roberts (Through July 2011; presently Principal at Westley Matthews Elementary)
5951	Whispering Pines Elementary	Ms. Tamela L. Brown	N/A = No Change of Principal Since Prior Audit
7701	South Dade Senior	Ms. Alicia Hildalgo	N/A = No Change of Principal Since Prior Audit
0161	Avocado Elementary	Ms. Crystal C. Coffey	N/A = No Change of Principal Since Prior Audit
4391	Irving & Beatrice Peskoe K-8 Center	Ms. Magda R. Pereira	Ms. Maria P. Acosta (Through July 2010; presently Principal at Emerson Elementary) Ms. Liliana C. Albuerne (Through July 2011; retired)

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
4441	Pine Lake Elementary	Ms. Carolyn L. McCalla	Mr. Caleb Lopez (Through August 2010; presently Principal at Jack D. Gordon Elementary) Ms. Kerri A. Maysonet (Through October 2010; resigned) Mr. Frank V. MacBride, Jr. (Through July 2011; presently Principal at Natural Bridge Elementary School)
5961	Winston Park K-8 Center	Ms. Giovanna M. Blanco	Mr. Carlos A. Diaz (Through June 2011; presently Principal at Southwest Miami Senior)
6861	Southwood Middle	Ms. Deborah Leal	N/A = No Change of Principal Since Prior Audit
7101	Coral Reef Senior	Ms. Adrianne F. Leal	N/A = No Change of Principal Since Prior Audit
Adult Education Centers			
7012	American Adult Education Center	Mr. Alexis Cazañas	Mr. Alan J. Bashaw (Though July 2009; presently Principal at Miami Senior Adult Education Center) Mr. Alexis Cazañas
7072	Coral Gables Adult Education Center	Ms. Carol Y. Wright	Mr. Alexis Cazañas (Through July 2009; presently Principal at American Adult Education Center) Ms. Carol Y. Wright
7132	Hialeah-Miami Lakes Adult Education Center	Mr. Manuel Gonzalez	Dr. Nilda L. Diaz (Through April 2011; retired)

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
7342	Miami Jackson Adult Education Center	Mr. Joey Bautista	Ms. Judy P. Hunter (Through September 2010; presently Principal at Miami Sunset Adult Education Center) Ms. Gloria E. Evans (Through July 2011; presently Principal at D. A. Dorsey Educational Center)
7462	Miami Senior Adult Education Center	Mr. Alan J. Bashaw	Ms. Gilda M. Santalla (Through July 2009; retired) Mr. Alan J. Bashaw
7592	North Miami Adult Education Center	Mr. Jean C. Ridore	N/A = No Change of Principal Since Prior Audit
7742	Southwest Miami Adult Education Center	Mr. Steve J. Rummel	N/A = No Change of Principal Since Prior Audit
Alternative Education Centers			
8101	Jan Mann Opportunity School	Ms. Claire C. Warren	Ms. Deborah A. Carter (Through July 2011; presently Assistant Principal at Hubert O. Sibley K-8 Center)
7631	Miami MacArthur South Sr.	Ms. Cynthia Valdes-Garcia	N/A = No Change of Principal Since Prior Audit

PROPERTY SCHEDULES

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

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
				Unlocated Items				
		Total Items	Dollar Value	No. Of Items	At Cost	At Deprec. Value	No. Of Unloc. Items	Dollar Value
Education Transformation Office (ETO) Schools								
7381	Miami Norland Senior	294	$ 763,598	4	$ 7,208	$ 294	None	-
7411	Miami Northwestern Senior	766	2,246,326	8	12,564	507	6	$13,300
7731	Miami Southridge Senior	782	1,696,689	None	-	-	None	-
7591	North Miami Senior	756	2,165,078	None	-	-	9	12,956
5861	Dr. H. W. Mack/West L. River K-8 Ctr.[1]							
3821	North County K-8 Center[1]							
4401	Kelsey L. Pharr Elementary[2]	63	148,929	None	-	-	None	-
0081	Lenora Braynon Smith El.[1]							
5931	Phillis Wheatley Elementary[1]							
6011	Allapattah Middle	210	691,944	None	-	-	None	-
6391	Madison Middle	216	648,398	2	6,256	-	None	-
6631	North Miami Middle	230	489,781	None	-	-	None	-
6721	Parkway Middle	153	384,824	None	-	-	None	-
7231	Miami Carol City Senior	893	2,923,248	7	11,692	7,644	None	-
North Regional Center Schools								
0761	Fienberg/Fisher K-8 Center	219	379,069	None	-	-	None	-
3421	M. A. Milam K-8 Center	226	489,899	None	-	-	None	-
3901	North Hialeah Elementary	85	311,249	None	-	-	None	-
7141	Dr. Michael M. Krop Senior	714	1,922,376	58	64,429	667	None	-

Notes:
1 Property audit is in progress; its results to be reported at a later date (9 schools).
2 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (5 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
				Unlocated Items				
		Total Items	Dollar Value	No. Of Items	At Cost	At Deprec. Value	No. Of Unloc. Items	Dollar Value
2531	Thena C. Crowder Elementary[2]	77	182,654	None	-	-	None	-
1521	Amelia Earhart Elementary	148	339,771	None	-	-	None	-
6591	North Dade Middle	292	628,267	None	-	-	None	-
7081	Design & Architecture Senior	463	931,252	None	-	-	None	-
North Central Regional Center Schools								
4801	Gertrude K. Edelman/Sabal Palm El.	88	218,267	None	-	-	None	-
1681	Lillie C. Evans K-8 Center	139	393,347	None	-	-	None	-
2401	Hibiscus Elementary	152	301,304	None	-	-	None	-
2761	Dr. Martin Luther King Elementary	60	155,725	None	-	-	None	-
2981	Liberty City Elementary[2]	133	306,392	None	-	-	None	-
3041	Lorah Park Elementary	76	174,602	None	-	-	None	-
3581	Myrtle Grove Elementary	90	207,470	None	-	-	None	-
4281	Palm Springs North Elementary	153	480,633	None	-	-	None	-
6161	Lawton Chiles Middle	825	1,464,662	None	-	-	None	-
6151	Doral Middle	293	672,848	None	-	-	None	-
South Central Regional Center Schools								
3111	Wesley Matthews Elementary	164	300,252	None	-	-	None	-
5041	Silver Bluff Elementary	152	309,381	None	-	-	None	-
5831	Henry S. West Laboratory El.[2]	112	186,329	1	1,047	-	None	-
7741	Southwest Miami Senior	576	1,663,907	None	-	-	None	-
South Regional Center Schools								
4031	Gateway Environmental K-8 L. Ctr.	179	610,641	None	-	-	None	-
4221	Palmetto Elementary	104	216,997	None	-	-	None	-

Note:
2 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (5 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
				Unlocated Items				
		Total Items	Dollar Value	No. Of Items	At Cost	At Deprec. Value	No. Of Unloc. Items	Dollar Value
0831	Claude Pepper Elementary	110	272,660	None	-	-	None	-
5951	Whispering Pines Elementary	116	274,926	3	3,400	120	None	-
7701	South Dade Senior	865	2,723,112	None	-	-	None	-
0161	Avocado Elementary	276	502,388	None	-	-	None	-
4391	Irving & Beatrice Peskoe K-8 Center	80	222,966	None	-	-	None	-
4441	Pine Lake Elementary	113	312,217	None	-	-	None	-
5961	Winston Park K-8 Center	184	393,748	None	-	-	None	-
6861	Southwood Middle	319	734,141	None	-	-	None	-
7101	Coral Reef Senior[1]							
Adult Education Centers								
7012	American Adult Ed. Center[1]							
7072	Coral Gables Adult Ed. Center	18	40,724	None	-	-	None	-
7112	Hialeah Adult Education Center[2]	76	193,836	None	-	-	None	-
7132	Hialeah-Miami Lakes Ad. Ed. Ctr.[1]							
7342	Miami Jackson Adult Ed. Center[1]							
7462	Miami Senior Adult Ed. Center[1]							
7592	North Miami Senior Ad. Ed. Center	36	84,073	None	-	-	None	-
7742	Southwest Miami Adult Ed. Center	20	38,775	None	-	-	None	-
Alternative Education Centers								
8101	Jan Mann Opportunity School	70	158,911	None	-	-	None	-
7631	Miami MacArthur South Sr.	174	440,701	7	10,425	518	1	1,105
TOTAL		12,340	$ 31,399,287	90	$ 117,021	$ 9,750	16	$ 27,361

Notes:
1 Property audit is in progress; its results to be reported at a later date (9 schools).
2 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (5 schools).

PROPERTY SCHEDULES

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

Work Location No.	Schools	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)			Total Depreciated Value
					Computers	Audio Visual	Other[1]	
Education Transformation Office (ETO) Schools								
7381	Miami Norland Senior	1	1	$ 1,530	-	-	$ 1,530	$ 400
7731	Miami Southridge Senior	3	7	7,529	$ 6,184	-	1,345	1,516
7231	Miami Carol City Senior	1	1	1,400	1,400	-	-	-
North Regional Center School								
6591	North Dade Middle[1]	9	38	131,219	1,039	$ 7,148	123,032	22,676
North Central Regional Center Schools								
2401	Hibiscus Elementary	1	1	1,285	1,285	-	-	-
3041	Lorah Park Elementary	1	2	7,640	-	7,640	-	-
South Regional Center Schools								
0831	Claude Pepper Elementary	1	1	1,038	1,038	-	-	-
5961	Winston Park K-8 Center	1	1	1,157	1,157	-	-	-
Adult Education Center								
7592	North Miami Adult Education Center	1	1	1,038	1,038	-	-	-
Total		19	53	$153,836	$ 13,141	$ 14,788	$ 125,907	$ 24,592

Note:

1 The following Region/District administration provided a brief explanation as to the events surrounding these losses and proposed action plans:

- At North Dade Middle, losses were mostly due to burglary of cafeteria equipment during relocation of entire school. Region and District administrations provided corrective action plans to improve the safeguarding of equipment during similar school relocation efforts. Refer to page 171 of Appendix for specific corrective action plans. Also, refer to page 163 of Appendix for District/School Operations' comprehensive response addressing this issue.

FINDINGS AND RECOMMENDATIONS

INTERNAL FUNDS

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

On June 1, 2011, district staff from the Miami-Dade County Public Schools' Internal Funds Accounting Division alerted our office that the April 2011 bank statement corresponding to Miami Norland Senior High School's internal funds checking account appeared to have been altered. This was detected while district staff was assisting the former Treasurer with the school's month-end reconciliation process. During our interviews, the former Treasurer admitted to altering the bank statement but would not admit to theft. This individual, who had been in that position since February 2011, was immediately removed from the school site pending results of our investigation.

Our investigation of the school's financial activity during the former Treasurer's tenure disclosed that she had misappropriated approximately $7,100 collected during May 2011, and was also responsible for delays in the deposit of cash collected during April and May 2011. Of the total misappropriated, approximately $6,500 was cash and the rest consisted of money orders which we were unable to locate. In addition to the misappropriation and deposit delays, we identified approximately $1,120 that was deposited in the bank during April 2011, but could not be traced to any receipts. In all these instances, the former Treasurer was involved in the handling of the collections. As a result of this incident and our discovery of the misappropriation, the case was referred to the Miami-Dade School Police and the State Attorney's Office for further consideration of criminal charges. She was subsequently arrested, charged criminally, and was dismissed from her employment with M-DCPS on August 3, 2011. Details follow:

1.1. We reviewed receipts, deposits and ancillary financial documentation for the period of February 2011 to May 2011 and identified that monies collected during April were withheld for deposit from one week up to a month. On May 27 and 28, two deposits totaling $3,678 were posted to the automated accounting system; however, they could not be traced to the bank. Of this total, $600 consisted of money orders.

1.2. On May 26, 2011, the school held a band concert and we calculated proceeds totaling $4,079 from the sale of admission tickets. Of this total, $1,464 was raised

during the presale of $8 admission tickets, which were receipted in the system and were part of two missing deposits. The remaining $2,615 represented proceeds from $10 admission tickets sold at the door during the day of the concert which could not be traced to the automated accounting system or to any deposit. The former school Treasurer admitted to collecting this money at the ticket booth. This was corroborated by the sponsor responsible for overseeing these activities.

1.3. Our review of official receipt books disclosed receipts totaling $810 that were signed by the former school Treasurer and that could not be traced to any deposit package. All these receipts were issued for cash collections and except for one, all were dated during the month of May 2011. The yellow copy of some of these receipts, which should be included with the deposit package, remained in the receipt book.

1.4. In addition to the discrepancies cited above, our review of serialized official forms utilized by the school to receipt monies disclosed that four official receipt books said to contain a total of 359 receipts and $4 and $5 rolls of admission tickets, with the exception of those $5 tickets which were used to account for the concert cited above, could not be located.

1.5. Upon review of the receipting procedures with school staff, it is evident that procedures were not being followed as prescribed by District policy.

RECOMMENDATIONS

1.1. Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.

1.2. Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.

1.3. Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.

1.4. Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also direct the Treasurer to deposit funds in a timely manner.

1.5. Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.

1.6. Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.

1.7. Direct school staff *to deliver the unopened bank statement to the Principal/Principal's designee.*

Person(s) Responsible: **Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director and Treasurer**

Management Response:

The Principal has thoroughly reviewed Section II, Chapter 2 Collection of Money and Chapter 3 Deposit Procedures from the Manual of Internal Fund Accounting. Copies were provided and discussed with the Vice-Principal, Assistant Principals, Secretary/Treasurer, and Activities Director.

The Principal reviewed the following procedures with the new Secretary/Treasurer:

- District procedures as outlined in the Manual of Internal Fund Accounting for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.
- Discussed the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures.
- Direct the Treasurer to deposit funds in a timely manner.
- Direct school staff to deliver the unopened bank statement to the Principal/Principal's designee.

The Principal and Secretary/Treasurer will assess the checkbook balance on a weekly basis; periodically compare monthly bank statements with on-line information to verify authenticity and review accuracy of monthly reconciliation reports before submitting the report to the district.

The Principal, Activities Director, and Secretary/Treasurer will facilitate training on December 8, 2011, with club sponsors and coaches to address district policies and procedures for the collection of money to include the proper use of Recap of Collection Form (FM-1004) and Employee (BPI) Receipts (FM-0976). At this training we will discuss procedures with staff schoolwide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures. Signatures will be

obtained from each sponsor as documentation for attending the training and receiving manual outlining procedures for collecting money.

The Principal will review the procedures for the collection of money with the entire staff during the November and December faculty meetings and again at the opening of the 2012-2011 school year.

The Principal assigned an administrator to oversee fundraising activities and the Treasurer's office and direct him to inform the administration of any discrepancies for immediate corrective action. This administrator will also review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.

The Principal will meet with the Vice-Principal and Assistant Principal over Internal Funds and School's Secretary/Treasurer to review the guidelines in securing funds awaiting deposits. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and an administrator. The Principal, Vice-Principal and Assistant Principal over Internal Funds will review the deposit packages and sign the Collection/Deposits Log (FM-7249) form before securing it in the school's vault.

The Principal will direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.

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

Management Response:

- The Principal was directed to monitor the checkbook on a weekly basis and verify bank statements with the online information.
- The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, ensuring procedures for deposit and money collections are adhered and proper documentation is maintained.

2. Former Treasurer Altered Checking Account Statement To Conceal Account Deficit *Whispering Pines Elementary*

Section II, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that the Principal is ultimately responsible for monitoring and administering the school's Internal Funds checking account. This Section and Chapter of the *Manual* also states that the school Treasurer is the designated person for receiving, recording and depositing all funds collected, as well as maintaining the records for the Internal Funds checking account.

In August 2011, during our audit visit, we noticed that the June 2011 checking account bank statement on file was a photocopy (in lieu of the original document) and certain information listed in the photocopied statement did not coincide with our calculations of daily checking account balances. Upon closer review of this document, audit staff suspected that the Treasurer had altered certain parts of the original document and had produced a photocopy that concealed checking account deficit balances during a three-day period[5] and a credit issued by the bank to zero out several overdraft bank charges[6].

During the audit, audit staff and the Principal met with the bank official who corroborated in writing that the statement had been altered as suspected and provided an original bank statement where the deficit balances and the credit in question were clearly displayed. After explaining the results of the bank visitation and upon presenting the original and altered documents to the Treasurer, she admitted to the Principal that she had made some alterations to the original document and was responsible for the photocopy. The Principal reported the incident at our request. The case was referred to M-DCPS' Civil Investigative Division (CIU). CIU corroborated our findings. Consequently, the School Board approved a disciplinary action whereby the Treasurer was suspended from her position without pay for five workdays effective October 20, 2011.

Prior to our meeting with the bank official, we interviewed the Treasurer, who denied her involvement in the alleged cover-up and claimed the reason for the photocopy was that she had mistakenly mailed the original document to the district. We also interviewed the

[5] According to our calculations, deficit balances should have been: $(636.43) on June 22; $(754.52) on June 23; and $(1,073.89) on June 24. Instead the statement listed these amounts *without the negative signs.*

[6] Seven overdraft charges totaling $245 were applied to the account when funds were not sufficient to cover several school checks received by the bank for payment during the three days in question. On June 27, the bank issued a $245 fee refund to clear the charges; however, *the entire line item had been deleted from the credit section of the statement.*

Principal, who acknowledged that the Treasurer was the individual at the school who initially received the checking account statement from the school mail.

As to the reason for the deficit balances, it appears that the deficit was the Treasurer's oversight for not ensuring that the checking account held sufficient monies to cover all school checks issued for payment. We found that the school allied organization had issued a check to the school to be deposited in the school's account to cover expenses associated with a student activity. However, it appears that the bank would not deposit this check on the account because the payee's name was different from the name of the school. Although this matter was later corrected and funds were finally deposited in the account, in the meantime, several checks issued by the school had been presented to the bank for payment and the account suffered the shortfall described above.

Several years ago, our office reported audit findings for this school under the tenure of a former Principal but under the same Treasurer.

RECOMMENDATIONS

2.1. Direct staff to deliver sealed bank statements and bank correspondence to the Principal for the initial review before it is forwarded to the Treasurer.

2.2. Ensure that the Treasurer understands and adheres to the procedure of monitoring daily checking account balances.

2.3. Do not sign any checks unless the school Treasurer has previously ascertained that the checking account has sufficient funds to cover the expenditures.

Person(s) Responsible: Principal and Treasurer

Management Response:

In order to ensure that the Principal is the initial person to open sealed bank statements and correspondence, clerical employees have been instructed to submit all sealed bank statements and correspondence to the Principal for review. After the Principal receives and reviews bank documents, the documents will be forwarded to the Treasurer.

The Principal has instructed the Treasurer to monitor the daily checking account balances by maintaining a running checkbook balance and submitting it to the Principal on a weekly basis. In addition to this, the Treasurer will discuss all transactions on a daily basis with the Principal.

In order to make certain there are sufficient funds to cover expenditures, the Principal will ascertain the daily balance in the checking accounts prior to signing checks.

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

Management Response:

The South Regional Center Administrative Director will meet on a monthly basis with the Principal of Whispering Pines Elementary School to review the monthly bank statement, checking account, and monthly reports, and will ensure that all correspondence with the bank will be reviewed by the Principal before it is submitted to the Treasurer. The Regional Center and the Principal will closely supervise and monitor the Treasurer on a regular basis. A mentor will be assigned to work with the Treasurer. These actions will significantly reduce the possibility of the checking account bank statement being altered in the future.

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

Management Response:

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds, Reconciliations, Deposits and Disbursements. Discrepancies will be investigated through the appropriate District/Regional Center office.

- District/School Operations will work cooperatively with the Region in providing assistance from the Office of Internal Fund Accounting, respectively. Furthermore, District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in these schools' audit responses.

- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures.

3. Inadequate Financial Oversight Resulted In Deficit Fund Balances And Questionable Expenditures
Miami Norland Senior

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

Our previous audit was completed in May 2010. *Since then, there has been a change of Principal at this school*. Our review of the Athletic Fund disclosed the following:

3.1. At June 30, 2010, the Athletic Fund closed the year with a deficit balance of ($36,943). As of the time of our visit in February 2011, the deficit balance had further increased to ($50,806), for an additional $13,863 shortfall in the revenues raised from athletic activities. After discussing these conditions with the current Principal, athletic expenditures were curtailed and the school closed the 2010-2011 fiscal year with a $(36,380) deficit.

As of our last visit in early October 2011, the Athletic Fund deficit had decreased to ($30,611). This was due to proceeds posted to this Fund from the sale of football admission tickets. Presently, the school is making an effort to curtail expenses as much as possible.

3.2. Although the nature of the expenses posted to the accounts in the Athletic Fund were related to athletic activities of the school, based on our previous finding, it is evident that controls over amounts spent were not being implemented. Expenditures included: athletic equipment and supplies; cash payments associated with payroll expenses of athletic game ticket sellers, ticket takers, announcers, crowd control, security and similar; payments to game officials; expenses for the rental of stadium facilities; payments to cover sanction fees and fines resulting in some of the athletic activities (which we calculated at $3,200 for both fiscal years); the filming of athletic events; and hotel accommodations and meals for male and female athletes who participated in athletic events outside Miami-Dade County.

Pursuant to Section IV, Chapter 11 of the *Manual, as determined by the Principal*, commissions from vending machines accessible to students can be used to cover expenditures of athletic activities in addition to revenues from athletic-related fundraising activities and donations intended for athletic use.

3.3. Although the school received $23,291 and $15,570 in vending commissions during 2009-2010 and 2010-2011, respectively, the school administration applied those funds to cover expenditures not related to athletic activities of the school.

Similar to the guidelines for the Athletic Fund, Section III, Chapters 3, 4, and 5 and 8 of the *Manual* provide that accounts from Classes and Clubs, Trust and Property Deposits and the General Fund must not close the year with deficit balances.

3.4. We found accounts in the Classes and Clubs, Trust, and Property Deposits that closed the 2009-2010 fiscal year with negative balances. Individual account deficits ranged from ($3) to ($610).

Similar conditions were noted in 2010-2011. Although the prior year deficits found in the Classes and Clubs, Trust, and Property Deposits Funds were corrected, as of our initial visit in February 2011, the Internal Funds-General Fund showed a deficit balance of $(8,543). This deficit resulted when $10,899 was transferred from the General Fund-Vending Commissions account to the Trust Fund-Special Purpose account. Prior to this transfer, the Special Purpose account had a deficit balance of ($7,073). As of June 2011, the General Fund balance was ($6,259), while the Special Purpose account closed with a positive $2,742 balance.

As of our last visit in October 2011, the General Fund had a positive balance of $1,625. This was mostly due to vending commissions received totaling $6,030.

During both years, the school's checking account did not incur a deficit since the checking account held funds from other internal funds accounts which, in the aggregate, were sufficient during this time to cover the Athletic Fund and General Fund deficits.

Separate from those expenditures charged to the Athletic Fund, as discussed in conditions 3.1 and 3.2 above, there were other expenditures associated with athletic activities of the school that were charged to other accounts within the internal funds of the school during the 2009-2010 and the 2010-2011 years that we found questionable.

These included those associated with the purchase of championship rings given to staff and students and that, pursuant to award cost thresholds established by School Board Rule 6Gx13-3C-1.18[7] and the *Manual*, would have required prior approval from the School Board. Specifically:

3.5. During the 2009-2010 fiscal year, the school made two disbursements totaling $7,185 for the purchase of 29 2008-2009 championship rings for the girl's basketball team players, coaches, coaching staff and administration. Of this total, $5,918 was charged to the Classes and Clubs-Girls Basketball Club account. The remainder was charged to the Trust Fund-Special Purpose account to cover the cost of five championship rings for the athletic administration and the former Principal.

After the closing of the 2009-2010 fiscal year, the school made two disbursements totaling $11,850 for the purchase of 29 2009-2010 championship rings and pendants for the girl's basketball team players, the athletic administration and the former Principal. Of this total, $9,560 was charged to the Classes and Clubs-Girls Basketball Club account. The remainder was charged to the Classes and Clubs-Student Athletic Activities to cover the cost of seven championship rings for the athletic administration and the former Principal. Both accounts' funding sources *consisted of profits from student fundraising activities*.

As of June 30, 2011, the school owed $603 for two other rings given to administrators. In all these instances, the individual cost of championship pendants and rings was between $247 and $430, which significantly exceeded the $40 award threshold established by the School Board. However, approvals were not obtained.

3.6. The school did not provide a signed complimentary list for those student athletes, coaches and staff who were the recipients of the rings and/or pendants.

The Field Trip Handbook published by the Division of Athletics and Activities requires schools to complete the Request for Travel Advance/Reimbursement [FM-1104] and obtain Region approval prior to renting vehicles to transport students. At this school:

3.7. In various instances, mini-vans were rented to transport athletes and coaches to athletic events; however, the Request for Travel Advance/Reimbursement [FM-1104] signed by the Region indicating approval for the rental of these vehicles

[7] According to School Board Rule 6Gx13-3C-1.18 *Expenditures for Awards and Incentives* (in effect up to June 30, 2011), prior School Board approval was required for all monetary awards and non-monetary awards where the unit cost of the award exceeded $40.00. Effective July 1, 2011, School Board Policy 6680 *Awards and Incentives* (which supersedes the rule), has increased the approval threshold for these types of awards to $100.

was not on file. The amount spent was approximately $2,900 for both fiscal years up to February 2011. These charges were posted to various Athletic Classes and Club accounts.

Other questionable expenditures not associated with athletic activities/events, but with school-related hospitality and student incentives were as follows:

3.8. At the end of the 2009-2010 school year, staff members, administration and their guests participated in a year-end celebration with a total cost of approximately $5,600. This consisted of a chartered boat ride which included dinner, musical entertainment and a 3-hour cruise around Biscayne Bay during the late evening of June 10th. According to the event flyer provided by the school, 75 participants would have been required to cover the cost of the event; however, only 31 attended, and of the 31, only 26 contributed a total of $1,395. The school paid the difference of $4,205 with funds from the Trust Fund-Special Purpose account.

During the 2009-2010 fiscal year, sources of revenue to the Trust Fund-Special Purpose account consisted of a few donations of approximately $5,200 (some of which were not properly documented and thus questionable) and vending commissions amounting to $14,819. According to requests to transfer funds sent to District/School Operations in January 2010, this transfer of funds was required to facilitate a student incentive program at the school. However, at June 30, 2010, while the Athletic Fund had a significant deficit, the balance in the Trust Fund-Special Purpose account was almost $12,000.

3.9. During the 2009-2010 fiscal year, two disbursements totaling $1,952 categorized by the school as student incentives were improperly posted to the General Fund-Office Supplies account instead of the Trust Fund-Special Purpose account. These disbursements included the purchase of 4 laptops with an individual cost of less than $300 each and eight gift cards totaling $350 for the purchase of books. Furthermore, a complimentary list was not provided.

RECOMMENDATIONS

3.1. Given the financial condition of the school, spending should be curtailed by ensuring that only those expenditures critical to the operation of the school are approved. Also, consideration should be given to devising a plan for raising funds to eliminate deficit account balances.

3.2. Review accounts in Classes and Clubs associated with sports to determine whether available funds can assist with part of the Athletic Fund deficit. Similarly, any funds in accounts with little or no activity not earmarked for any particular purpose should be transferred to the General Fund to assist

with the deficit balance. Finally, determine whether available funds in the Special Purpose account can be transferred back to the General Fund or the Athletic Fund.

3.3. Strengthen the management of the internal funds of the school by *periodically reviewing accounts and fund balances* and adjusting spending plans, accordingly. This should include plans for the proper utilization of vending commissions, donations, profits from fundraising activities and fees collected from students.

3.4. Prior to approving any expenditures ensure that accounts have available funds, and that the expenditure is not only allowable but comports to the intent of the monies collected/available in the account.

3.5. Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.

3.6. Discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances.

3.7. Obtain region approval before renting any vehicles.

Person(s) Responsible: **Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer**

Management Response:

A meeting was conducted on November 7, 2011 with the Vice-Principal, Assistant Principal over Internal Funds, School's Secretary/Treasurer, Activities Director, Athletic Director, and Athletic Business Manager to advise of the financial condition of the school and the need for spending to be curtailed by ensuring that only those expenditures critical to the operation of the school are approved. At this meeting a plan was shared for raising funds to eliminate deficit account balances.

At our November 2011 Activities and Club sponsors meeting we will discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances. We will also advise staff of the need to obtain region approval through memoranda before renting any vehicles.

A review of accounts in Classes and Clubs associated with sports to determine whether available funds can assist with part of the Athletic Fund deficit will be conducted on November 14, 2011. Funds in accounts with little or no activity not earmarked for any particular purpose will be transferred to the General Fund to assist with the deficit

balance. It will then be determined whether available funds in the Special Purpose account can be transferred back to the General Fund or the Athletic Fund.

Effective immediately, the internal funds function of the school will be strengthened by conducting bi-weekly *reviews of accounts and fund balances* and adjusting spending plans, accordingly. This review process will include plans for the proper utilization of vending commissions, donations, profits from fundraising activities and fees collected from students.

Effective immediately a system will be instituted to ensure that accounts have available funds prior to the submission and approval of funds requests, and that the expenditures are not only allowable but comport to the intent of the monies collected/available in the account.

Effective immediately a system will be instituted to assure adherence to award cost thresholds established by the School Board and obtain all necessary approvals. Prior to purchasing, all award requests will be approved by the Principal.

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

Management Response:

- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities to include receipting and depositing procedures, Student Activity Operating Reports, and posting of transactions.

4. Deposits and Disbursements Not Compliant With Documentation Guidelines
Miami Norland Senior

Because the armored car service provider may provide deposit pick-up service to the schools only on certain scheduled days, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools*, was published via *Weekly Briefing # 5164*, dated November 6, 2008, to address the safeguarding of deposits at schools. Pursuant to the procedures, deposits awaiting the armored car pick-up service are to be logged on the Collections/Deposits Log [FM-7249] at the time the deposit is placed in the secure area and removed from this area for the armored car pick-up service. At this school we found that:

4.1. The Collections/Deposits log [FM-7249] for both 2009-2010 and 2010-2011 fiscal years was not maintained to document those deposits that remained at the school awaiting the armored car pickup service. *This matter had been discussed with the former Principal during the prior audit.* Starting in August 2011 the log has been maintained.

Pursuant to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting,* all disbursements must have proper documentation in the form of an original invoice or equivalent documentation provided by the vendor, and must include the signature of the employee responsible for receiving the goods/services to certify receipt. Vendor payments made after 30 days must be documented with a written agreement from the vendor. Furthermore, Section II, Chapter 7 and Section V, Chapter 1 of the *Manual of Internal Fund Accounting* delineates the procedures for recording checks and interest in the automated accounting system. Lastly, Section III, Chapter 9 requires the timely replenishment of the Instructional Materials and Supplies (Fund 9) account.

4.2. In 32 instances, invoices were not signed to indicate that goods/services had been received and payment was in order. Three of those instances corresponded to the 2011-2012 fiscal year.

4.3. Other discrepancies included instances where the vendor payment was not posted to the automated accounting system in a timely manner; faxed/electronic copies or a statement of account were used in lieu of original itemized invoices; an invoice was not on file to document the disbursements; or the check requisition was missing.

4.4. According to the Outstanding Liabilities Report prepared by the internal auditor, the school closed the 2010-2011 fiscal year with outstanding liabilities totaling $14,515. Some of the invoices included in this report were dated from January 2010. Of the $14,515, $12,983 had been paid as of October 2011; while the balance of $1,532 is being researched.

4.5. Expenditures totaling $7,472 listed in the June 2011 Instructional Materials and Supplies (Fund 9) reconciliation were not replenished by year-end. These were incurred between October 2010 and March 2011.

RECOMMENDATIONS

4.1. The Principal should continue utilization of the Collections/Deposits Log [FM-7249] and periodically review with the Treasurer to ensure it is utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) awaiting pick-up at the school.

4.2. Discuss the disbursements procedures with the staff to make them aware of the need for the disbursement documentation requirements and the timely payment of expenditures.

4.3. Strengthen the monitoring over the disbursement function.

4.4. Monitor the Fund 9 account to ensure it is timely replenished.

Person(s) Responsible: **Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer**

Management Response:

The Principal will continue to use the Collections/Deposits Log [FM-7249] and periodically review with the Treasurer to ensure it is utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) awaiting pick-up at the school.

Effective immediately, the Principal will discuss the disbursements procedures with the staff in order to make them aware of the need for proper disbursement documentation requirements and the timely payment of expenditures.

The Principal assigned an administrator to oversee disbursement function and the work of the Treasurer and direct him to inform administration of any discrepancies related to the disbursement function for immediate corrective action. This administrator will also review the disbursement function activities periodically to ensure that collections are properly documented.

The Principal assigned an administrator to monitor the Fund 9 account to ensure it is timely replenished and the work of the Treasurer as it relates to this function. All parties have been directed by the Principal to inform administration of any discrepancies related to the disbursement function for immediate corrective action. This administrator will review all Fund 9 account activities periodically to ensure that all transactions are properly documented.

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

Management Response:

- The Principal was instructed to personally review disbursements, monitor available balances in all accounts and payments of invoices in a timely manner.
- The Principal was instructed to monitor the timely reconciliation of Fund 9.
- The Education Transformation Office Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

5. Inadequate Controls Over Receipts And Deposits
North Miami Senior

Section II, Chapter 3 of the *Manual of Internal Fund Accounting* provides the guidelines for receipting collections and documenting deposits associated with internal funds activities. Furthermore, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools* published via *Weekly Briefing # 5164*, dated November 6, 2008, address the safeguarding of deposits at schools. Pursuant to these procedures, deposits awaiting the armored car pick-up service are to be logged in the Collections/Deposits Log [FM-7249] at the time the deposit is placed in the secure area and removed from this area for the armored car pick-up service. Procedures also require that the log be signed by the responsible individual and an administrator/designee.

The prior audit had disclosed certain practices that did not fully comport with deposit documentation guidelines. These were discussed with staff and administration for their information and corrective action. However, our review of a sample of 30 deposits from 2009-2010, 2010-2011 and 2011-12 fiscal years up to September 2011 disclosed similar discrepancies. Details are as follows:

5.1. As in the previous audit, the school was not properly utilizing the Collection/Deposits Log form to record those deposits stored at the school site awaiting the armored car pick-up service. From our sample, we found three instances where deposits held over the weekend were not listed in the log. We also found that validated deposit slips were not always attached to the deposit packages; however, we were able to trace deposit amounts to the bank statements.

Other discrepancies noted during this audit included:

5.2. In five instances, the breakdown of the cash/checks listed in the deposit slip did not agree with the amounts listed in the deposit summary printed by the MSAF system; however, the total amount of the deposit agreed.

5.3. In four instances, there were delays in remitting funds to the Treasurer for deposit. These ranged between 6 and 11 days.

5.4. In a few instances, Official Teacher's Receipts and Recaps of Collections were incomplete. One instance in particular did not clearly state the source of the collections. After our inquiries, we found that the collections corresponded to a fundraiser. Based on the disbursements associated with the purchase of fundraising merchandise, it appears that $2,000 cash may have been delayed for deposit as much as 30 days.

5.5. In two instances, the amount deposited was less than the receipts documenting amounts collected. Total combined shortages were $471. For one of these instances, the school had reported the theft of $271 to MDCPS School Police previous to our examination; however, the school was unaware of a second shortage of funds amounting to $200 which we discovered during the audit.

A student obligation occurs when students have outstanding liabilities with the school. These may be due to the loss of textbooks, library fines for books turned in late, unpaid classroom fees and similar student liabilities. We tested a sample of student obligations and found that:

5.6. Some of the deposits included receipts from student obligations that were collected by the Treasurer; however, we were unable to determine whether student obligations were being deposited in full, since reportedly source documentation generated by the teachers was discarded by the Treasurer once payment was received from the students.

Most discrepancies were identified in deposit packages corresponding to the 2010-2011 fiscal year.

RECOMMENDATIONS

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

5.2. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and properly recorded.

5.3. Ensure that the Collections/Deposits Log [FM-7249] is consistently utilized to document those deposit packages awaiting the armored car pickup service.

5.4. Ensure that collections from outstanding student fees, fines and lost textbooks are properly documented and maintain source documentation.

Person(s) Responsible: Principal, Vice-Principal, Assistant Principals, and Treasurer

Management Response:

The Principal has thoroughly reviewed Section II, Chapter 3 of the ***Manual of Internal Fund Accounting*** which establishes the guidelines for receipting collections and documenting deposits associated with internal funds activities. Copies were provided and discussed with all Assistant Principals, Treasurer and Activities Director.

The Principal met with the Administrative Team, School Treasurer and reviewed Section II, Chapter 3 of the *Manual of Internal Fund Accounting* which establishes the guidelines for receipting collections and documenting deposits associated with internal funds activities.

The Principal will meet with the Vice-Principal and Assistant Principal over Internal Funds and School's Secretary/Treasurer to review the guidelines in securing funds awaiting deposits. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and an administrator.

The principal will meet with the School Treasurer on a weekly basis to review established procedures on collections from outstanding students' fees, fines and lost textbooks to ensure that they are properly documented and maintained.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that accounts are compliant with Internal Funds Policies.

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

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 2, 4 and 5 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper receipting of funds and disbursement of funds.
- The Education Transformation Office Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Education Transformation Office Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

6. Collection, Posting And Deposit Of Prekindergarten Enrichment Program Fees Not Compliant With Established Procedures *Palmetto Elementary*

The Office of Early Childhood Programs delineates the guidelines regarding registration procedures for the Voluntary Prekindergarten (VPK) Program. The state-funded portion of the VPK program is a three-hour program that ends at 1:30 p.m. and is offered free of charge. In the case of Community Education Fee supported schools, the Prekindergarten Enrichment Program portion of the day consists of three additional hours ending at 2:30 p.m.; however, this portion is totally funded by parent fees. Fees are $12 per day or $60 per week. Every year, program registration and fee collection guidelines are issued to the schools via a Weekly Briefing.

According to the guidelines for the Prekindergarten Enrichment Program, an initial payment must be made on or before the first day of school or the child's slot is forfeited. As of the 2011-2012 fiscal year, procedures from the Office of Early Childhood Programs clearly indicated that fees may not be collected prior to the start of the new fiscal year.

Regarding the general procedures over the collection and deposit of funds, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools* was published via *Weekly Briefing # 5164*, dated November 6, 2008, to address the safeguarding and timelines for the deposit of funds. Pursuant to the procedures, deposits awaiting delivery to the bank are to be logged in the Collections/Deposits Log [FM-7249] at the time the deposit is placed in the secure area and once removed from this area to take to the bank. In cases where the school does not engage the armored car service, (as in the case of this school), *monies collected must be deposited in the bank once they exceed $300. It is also required that at a minimum, a deposit must be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected.*

This school offers a VPK Program and a Prekindergarten Enrichment Program to the participants. Class size is approximately 17 children. Our review of the collection procedures for the Enrichment Program for the 2009-2010 and 2010-2011 was extended to include the current 2011-2012 fiscal year because of delays in the receipting, recording and depositing of these funds. We found that:

6.1. During all three fiscal years, staff collected the initial $60 payment at the time of registration. Payments were collected in the form of check or money order. Total initial fees collected for all three years combined amounted to $2,640. For the 2009-2010 and 2010-2011 fiscal years, registration happened mostly during late April-May; while in the 2011-2012 fiscal year, registration mostly happened during July.

For all three years, these checks were not immediately deposited in the bank, but stored in the school's vault and deposited at a later date. For the 2009-2010 and 2011-2012 fiscal years, we noted deposit delays of approximately one month to a month-and-a-half. However, in the case of the 2010-2011 year, the deposit delay was approximately four months. According to a memorandum from the Principal, this delay was an oversight from clerical staff that was new to this process.

6.2. We also noted that official receipts *were not issued at the time* that monies were collected. Instead, the receipts were dated to coincide with the date of the deposits.

6.3. In the instances noted above, the Collections/Deposit Log was not completed to show funds were awaiting deposit at the school site.

RECOMMENDATIONS

6.1. Review receipting and depositing procedures with staff to ensure understanding and awareness of the requirements and expectations.

6.2. Review deposit packages to ascertain timelines of the deposit of funds.

6.3. The registrar should attend the registrar's training session conducted by the Office of Early childhood Programs as soon as it is made available.

Person(s) Responsible: Principal

Management Response:

In order to ensure that the collection of monies is done in a manner that is in full compliance with Internal Funds guidelines and to protect the assets of the school district, we have implemented a daily procedure which requires that all daily deposits are logged on FM 7249, Daily Collections of Deposits Log. Deposits will be placed in a secure vault until taken for deposit to the bank. Monies collected will be deposited in the bank once they exceed $300. At minimum, a deposit will be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected. The Principal will also disseminate Weekly Briefing # 5164 which addresses the safeguards and timelines for the deposit of funds and will review with the Treasurer, Registrar and After-School Care Clerk and Manager.

The Principal will ensure that funds are deposited in a timely manner. These procedures will be discussed with appropriate staff. The Assistant principal will further monitor this process to ensure compliance and to ensure that all checks are deposited in accordance with established procedures.

The Principal will designate the School Treasurer as the primary person responsible for the preparation of the Daily collections/Deposits Log. The After School Clerk and the Registrar are the back-ups. The Principal, or the Assistant Principal in his absence, will review the log on a daily basis and then sign receipt of the deposit. Any discrepancies will be reported to the Principal.

The Registrar and After School Clerk will attend training conducted by the Office of Early childhood Programs as soon as it is made available and will work with a mentor Treasurer assigned by the South Regional Center.

The Principal reviewed with the Treasurer, Registrar, After School Clerk, and Assistant Principal all steps mentioned in this document to ensure compliance with established procedures and to ensure compliance.

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

Management Response:

The South Regional Center Administrative Director will meet with the Principal of Palmetto Elementary School monthly to review procedures for the collection and deposit of fees in the Pre-Kindergarten Enrichment Program to ensure compliance with established procedures. This Administrator will further review with the Principal, selected deposit packages, and will ensure that deposits are made in a timely manner. A mentor registrar from a neighboring school will be assigned to work with the registrar at Palmetto Elementary School to further ensure compliance with established procedures.

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

Management Response:

Refer to page 42 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Palmetto Elementary School.

7. Inadequate Controls Over Disbursements *North Miami Senior*

Pursuant to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting,* all disbursements must have proper documentation in the form of an original invoice or equivalent documentation provided by the vendor, and must include the signature of the employee responsible for receiving the goods/services to certify receipt. Also, any arrangements with the vendor to make payment past 30 days of receipt of good/services must be included in the records as support.

In those instances where an individual purchase exceeds $1,000, but is less than $5,000, a minimum of three documented telephone quotes must be included as part of the ancillary documentation to show that the lowest bid was selected.

The prior audit had disclosed that the school did not comport with the disbursement documentation guidelines cited above and types of expenditures allowed to be charged to certain accounts. Our follow-up to the prior audit disclosed that:

7.1. Similar to the prior audit, we found eight instances where disbursements were supported with something other than an original invoice; while in four separate instances invoices did not include a signature certifying that goods/services had been received and payment was in order. We also found three instances where disbursements were made over 30 days after the date of the invoice; and arrangements with the vendor were not documented in the files. All these instances happened subsequent to our discussion of audit results in the prior audit.

In addition, supporting documentation for 18 disbursements totaling $18,316 dated between July 2009 and June 2011 was not on file at the school. These included a reimbursement made to the Treasurer for $498 dated June 21, 2011. Check requisitions and subsidiary documentation for seven of the 18 disbursements was provided to the internal auditor shortly before the completion of the audit field work; however, none of the seven corresponded to the Treasurer's reimbursement.

According to Section III, Chapter 4 of the *Manual*, hospitality expenses for school–related activities should be posted to the Trust Fund-Special Purpose account. *In the previous audit, the school was cited for inappropriately charging some of these expenditures to the General Fund-Miscellaneous account. During this audit, we found that:*

7.2. In eight instances disbursements for hospitality and incentives for administrators, faculty and staff were charged to accounts other than the school's Special Purpose account. Six of these disbursements were charged to the school's Trust

Fund-Educational Excellence School Advisory Council (EESAC) account. The minutes of the EESAC meeting indicated that funds *should be used to support various student initiatives.* The other two disbursements totaling $4,884 corresponded to hospitality activities held in December 2009 and November 2010 for faculty and staff; and a portion of the expenses or $2,239 was charged to Classes and Clubs-Student Activities; while the remaining $2,645 was charged to the Special Purpose. Furthermore, one of these activities was conducted at an entertainment establishment at night, after school hours.

Other discrepancies noted during this year's audit included the following:

7.3. In June 2011, the Treasurer accompanied several students on a school-related trip as a chaperone and received a $1,300 advance to cover expenditures associated with student lodging, meals and incidental travel expenses. Not all funds were spent and $255 was due to the school from the advance. During the audit, we found a personal check from the Treasurer for said amount attached to the travel documentation; however, the check had not been deposited in the school's account or recorded in the system. The check was deposited and recorded at the request of the auditor.

7.4. In October 2009, the school issued a check totaling $20,565 to pay the hosting venue of a student club conference sponsored by the school; however, the check was signed only by the Treasurer and cashed by the bank. We reviewed all cancelled checks up to August 2011 and found four other similar instances totaling $1,534. One of these checks was for $1,000. All four checks were issued during November 2009.

7.5. In 15 instances, purchases over $1,000 were made and three documented telephone quotes were not included with the disbursements to document that the lowest quote had been selected. Purchases included paper products, some of which are customarily stocked at Stores and Mail Distribution (S &MD).

7.6. The school purchased two IPADS with grant funds. The cost of each IPAD was approximately $500. Although the grant allowed for the purchase of these electronic devices, one of the IPADS could not be located at the school during the audit. We found that the device was in the custody of a teacher who is no longer employed at the school; however, there was no documentation to that effect. At our request, the school contacted the former teacher to retrieve the electronic device since this was property of the school; however, the school was informed that it had been recently stolen from the employee's vehicle during a break-in incident.

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* delineates the procedures for processing disbursements using Instructional Material and Supplies (Fund-9) revenue. Fund 9 revenue generates from allocated tax-dollar budget funds

appropriated for supplies which the District advances to the schools to allow certain flexibility in the purchasing of these supplies. At senior high schools, the amount advanced is $20,000. One of the requirements specific to Fund 9 is that all expenditures must be reported to the District by year-end and the account must not incur a deficit balance. In order to replenish the account, the schools must report the expenditures incurred to the District. However, replenishments can only be processed when *funds in the District's school budget are available*.

At this school total Fund 9 expenditures reported at June 30, 2010 amounted to $16,889. Our review of expenditures charged to the account disclosed the following questionable pattern for charging expenditures:

7.7. Fund 9 expenditures were temporarily posted to a selected internal funds account to conceal that the school had spent more funds than were available, thus preventing the Fund 9 account from showing a deficit. When Fund 9 revenues became available, the expenditures were charged back to the account. As of June 30, 2010, Fund 9 expenditures totaling $1,405 were temporarily reclassified and charged to the General Fund-Miscellaneous account awaiting a replenishment of funds in the Fund 9 account. After the closing of the year, the school reversed the transactions and charged these expenditures back to Fund 9, once the account had received additional replenishment of funds. In addition, $2,151 charged to the General Fund-Miscellaneous account in the previous year were similarly reversed and charged to Fund 9.

RECOMMENDATIONS

7.1. Discuss disbursement procedures with staff for understanding and awareness of the requirements.

7.2. Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, the posting of charges to the appropriate accounts and the completeness of the documentation.

7.3. Strengthen the safeguarding of property that belongs to the school.

7.4. Maintain control over expenditures to prevent overspending and immediately discontinue the practice of inappropriately modifying the posting of transactions between accounts as described above.

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

Management Response:

The Principal met with the Administrative Team, School Treasurer and reviewed Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting.*

The Principal and Assistant Principal met with the School Treasurer to establish and implement a set of procedures to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances.

The Principal and Administrative Team will ensure that all property that belongs to the school is collected upon employee leaving worksite.

The Principal will meet with the School Treasurer on a weekly basis to review all expenditures to prevent overspending and will immediately discontinue the practice of inappropriately modifying the posting of transactions between accounts.

Responsible Person(s): ETO Operations

Management Response:

- The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting, ensuring procedures for making purchases and disbursements are adhered and proper documentation is maintained.
- The Education Transformation Office Administrative Director will meet with the Principal to review that all purchases are made in accordance with School Board Rule 6G-X13-3C-1.17[8], Payment for Goods and Services. Additionally, Purchase Order Requisition Logs, Invoices, and all related documentation will be reviewed to ensure that record keeping procedures are intact, organized and dealt with in a timely manner.

[8] Auditor's Note: Effective July 1, 2011, School Board Policy 6480 *Expenditures* (which supersedes this rule) similarly addresses this topic.

8. Inadequate Controls Over Disbursements
Miami Northwestern Senior

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* requires that payments to vendors be made in a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing. Disbursements may only be processed when sufficient, uncommitted funds are available in the internal funds accounting structure where expenditures are going to be charged. Lastly, Section IV, Chapter 12 of the *Manual* states that travel arrangements, accommodations, and payments to vendors for field trip associated expenses may not be made directly by school-allied organizations. Instead, the organizations should donate funds to the school to account for this activity through the internal funds of the school.

A review of the school's disbursement activities conducted through the Internal Funds for the 2009-2010 and 2010-2011 fiscal years and for purchases conducted with the purchasing credit card (P-Card) from November 2010 to January 2011 disclosed the following discrepancies:

8.1. Our sampled review of disbursement identified 35 instances in which payments totaling $23,307 were not timely remitted to vendors. Delays ranged from 5 days to close to 2 years. These included various expenditures paid with both internal funds and the school's purchasing credit card (P-Card).

8.2. Four of the invoices cited above totaling $4,262 were related to transportation services for the school's band to attend athletic functions and performances as well as other band-related expenditures. Invoices for some of these expenditures were not on file at the school and were obtained as a result of our review. Additionally, dormant donation accounts were used to pay for some of these outstanding liabilities; however, the intended use of the funds could not be determined based on documentation provided at the school.

8.3. In one of the 35 instances cited above, it appears that the school contacted the vendor and requested that the date on the original invoice be changed to conceal the delay in remittance of payment. In one other instance, the school incurred a $75 fee for late remittance of payment. We also found one other instance where transportation services for a school-related function totaling $150 were paid directly from a parent association to the vendor instead of funds provided to the school and payment made by the school for the activity.

8.4. During the review of P-card purchases, we noticed the purchase of five IPad screen protectors and three kindles with a total cost of $484. We found that in December 2010, under the tenure of the former administration, the school had purchased five IPads with a total cost of $3,165 for the school's administrative

team. Discretionary funds allocated to the school's budget were used for the purchase of IPads, and the purchase was processed via the district's procurement department. According to the school, these devices were purchased to assist the team with analyzing student data and related assessments; and their portability and ease made classroom evaluations more efficient. However, during our initial visit, the IPads were not available at the school. Of the five IPads, three were in the custody of administrators *currently assigned to other work locations*. When the devices were presented to us, one of the IPads appeared to be in working order and the remaining four could not be started as their battery life was completely drained.

According to the school, the three kindles were purchased for an initiative with the reading program *that never materialized*. At the present time, these items are stored at the school, except for one kindle that was never located.

The Instructional Materials and Supplies (Fund 9) account was established to provide principals additional flexibility to purchase instructional materials and custodial supplies using allocated tax dollars. To accomplish this, the district advances schools between $10,000 and $20,000 of their budgeted tax dollar funds. The amount of the advance, which varies depending on whether the school is elementary, secondary, or an adult/vocational education center, is placed in an account within the internal funds of the school to be disbursed through the internal funds disbursement process. The amount advanced is the threshold amount for reconciliation purposes; and the account must be reconciled monthly.

The procedures associated with this account are established in Section III, Chapter 9 of the *Manual of Internal Fund Accounting.* According to the procedures, schools are required to report expenditures for replenishment once 25% of the threshold limit has been expended. At this school, expenditures must be reported once $5,000 has been spent.

8.5. For the two-year audit period under review, the school was unable to report expenditures charged to the Fund 9 account in a timely manner because District funds were not available to replenish the account. As of June 30, 2011, the school could not replenish any of the expenditures incurred during the 2010-11 fiscal year. Specifically, at June 30, 2010 unreported district expenditures amounted to $13,732. These were reported in January 2011 when funds budgeted for the 2010-2011 fiscal year became available. Consequently, those expenditures charged to the Fund 9 account during the 2010-2011 fiscal year or $14,104 could not be processed and replenished.

RECOMMENDATIONS

8.1. Review the disbursement procedures with staff to ensure a proper understanding of the requirements and expectations.

8.2. Ensure that there are sufficient uncommitted funds available before approving/making purchases and ensure that staff obtains approval prior to making any disbursements. Direct the Treasurer and clerk in charge of P-Card disbursements to inform the administration of available balances *prior* to requesting authorization to spend any funds. This should also include not approving P-Card disbursements unless funds are available and the authorization form is signed *prior* to the school processing any such disbursements.

8.3. Improve controls over the tracking, safeguarding and utilization of mobile equipment such as IPADs and kindles, purchased with school funds, which are issued to school administration and staff for school use.

8.4. Replenish the Fund 9 account in a timely manner and verify the availability of District funds before approving additional purchases.

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

Management Response:

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section II, Chapters 4 and 5 and Section IV, Chapter 12 of the Manual of Internal Fund Accounting in order to ensure full compliance with: disbursement procedures and identified aspects of fiscal management that must be properly maintained in accordance with the guidelines. The Principal reviewed a comprehensive plan that outlined procedures which included the requirement of pre-completion and prior Principal approval of purchases utilizing the Purchase Order Form, check requisitions and ancillary forms with required signatures, and the establishment and implementation of procedures for disbursement of payment within 30 days.

The Principal developed school-site Internal Funds procedures with the Education Transformation Office (ETO) Administrative Director, the Region Business Manager, the Vice Principal, and Treasurer to established processes to be followed by all staff members. At a Faculty/Staff meeting held in November 2011, the Principal outlined the procedures with the Faculty and Staff that included review of specific Internal Funds documents that included but was not limited to the utilization of Purchase Order Forms that must submitted to the Vice Principal in order to verify that the item is an allowable purchase and to ensure sufficient funds are available prior to final signature approval by the Principal.

Personnel were informed that all items purchased without prior approval will not be reimbursed by the school.

In November 2011, the ETO Administrative Director, Region Business Manager, Principal, Vice Principal, Treasurer, and Activities Director conducted a mandatory training for all Class/Club Sponsors and Booster Clubs to review pertinent sections of the Manual of Internal Fund Accounting and acquired signatures on a document indicating receipt of school-site procedures.

The Treasurer was directed to maintain an accurate account of monies collected and deposited. The Treasurer will review this information and bills received on a weekly basis with the Vice Principal prior to making disbursements to ensure accuracy. The Principal will randomly review account balances to verify all documents are properly executed, payment is in a timely manner, and to ensure that record keeping procedures are intact, organized and dealt with in a timely manner with regards to paying of bills**.** The Principal directed the Treasurer to monitor funds to ensure availability for replenishment of Fund 9 at various times of the year and at the close of the school year.

The Principal established procedures to improve controls over the tracking, safeguarding and utilization of mobile equipment by developing an in-house property control document for these items to be checked at various times of the school year.

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

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 and Section IV, Chapter 12 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper receipting of funds, disbursement of funds, Fund 9 replenishment and tracking of mobile equipment.
- The Education Transformation Office Administrative Director, cooperatively with the Region Business Manager from the Office of Internal Funds and the Principal, will conduct quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

9. Inadequate Controls Over Disbursements
Fienberg/Fisher K-8 Center

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered, or equivalent documentation as provided by the vendor. Prior to making payments, vendor invoices must be reviewed to ensure its mathematical accuracy; and must include the signature of the employee receiving the goods/services to confirm that the merchandise is received or the service has been rendered, and therefore payment is in order. Also, payments must be made on a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and obtained in writing.

Our sample of 21 disbursements made during the 2009-2010 and 2010-2011 fiscal year disclosed discrepancies in 12 disbursements as follows:

9.1. In nine instances, disbursements were not made in a timely manner. Delays ranged from approximately 30 days to almost one year. These included two invoices from the same vendor that were not paid in full because of an error in the payment submitted. The school documented the disbursement with a statement of account in lieu of invoices. The vendor provided the invoices at our request and the school issued a final payment during our visit.

9.2. In eight instances, invoices were not signed to indicate that goods/services had been received as specified and that payment was in order.

9.3. The Outstanding Liabilities Report for the 2009-2010 fiscal year disclosed three other instances of late payments to one office supplies vendor.

To increase purchasing flexibility at the schools, the District allows schools to transfer specified amounts of their allocated tax dollar budget funds to the Internal Funds to purchase instructional materials and educational support supplies. Funds are placed in a specific account, customarily referred to as *Fund 9*. Pursuant to Section III, Chapter 9 of the *Manual of Internal Fund Accounting*, in order to periodically report these expenditures to the District, schools must replenish the Fund 9 account once total expenditures reach 25% of the establishment amount; and all Fund 9 expenditures must be reported before June 30 of every year.

9.4. The June 30, 2011 Fund 9 reconciliation disclosed that expenditures totaling $240 had not been processed for reimbursement before the closing of the year. Upon our inquiries, the Treasurer stated that she had processed them; however, she could not provide support to her claim. We found that she had attempted to process these expenditures subsequent to our inquiries; however, this could not

be done without approval from the school administration. According to the school administration, the Treasurer stated that she had forgotten to process the replenishment.

RECOMMENDATIONS

9.1. Review the disbursement function with staff to create awareness and understanding of the requirements and expectations.

9.2. Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.

9.3. Strengthen review over the Fund 9 reconciliations to ensure the timely replenishment of this account.

Persons Responsible: Principal, Assistant Principal, Secretary/Treasurer

Management Response:

- The principal, assistant principal and secretary/treasurer reviewed Section IV and V of the *Manual of Internal Funds Accounting* which require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered.
- The principal, assistant principal and secretary/treasurer reviewed Section III, Chapter 9 of the *Manual of Internal Accounting,* which delineates the proper method of reporting expenditure from Fund 9 to the District.
- The principal advised the secretary/treasurer, faculty and staff that all purchase requests must be presented directly to the principal for pre-approval via FM 1012 prior to purchases being made.
- The secretary/treasurer will write checks on a designated day each week and present the following required documentation before the principal signs a check: check requisition, receipt or invoice, and a screen shot of available funds in the account from which the invoice will be paid.
- The secretary/treasurer will keep a log of all purchases to include the purchase order number, requisition amount, vendor, date received online, check number and date paid to track the status of the purchase order.
- The secretary/treasurer will present the fund 9 reconciliation to the principal monthly and before June 30th of each year.

Person(s) Responsible: **North Regional Center**

Management Response:

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.

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

Management Response:

Refer to page 42 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Fienberg/Fisher K-8 Center.

10. Purchasing Function Not Properly Planned Resulted In Questionable Disbursement Practices *North Hialeah Elementary*

During this audit, a follow up to the school's prior year exception related to the untimely processing of expenditures charged to the Instructional Materials and Supplies account disclosed discrepancies with the disbursement function *under the tenure of the former school administration.* Our review identified instances where disbursements, some of which included reimbursements to administration and staff for hospitality-related purchases, were withheld from posting to the Special Purpose account until funds became available; while others were modified to other accounts to take advantage of accounts that had available funds. Other discrepancies related to the school's disbursement function were noted as well. Details follow.

At this school, expenditures posted to the accounts totaled $28,917 and $22,787 for the 2009-2010 and 2010-2011 fiscal years, respectively. Disbursement activity of the school was associated to field trips, school and class pictures, the United Way student campaign, hospitality-related and general expenditures of the school.

Pursuant to the procedures delineated in Section II Chapter 5 of the *Manual of Internal Fund Accounting*, reimbursement requests from faculty/staff for authorized purchases can be processed when the expenditure, individually or cumulative, amounts to at least $25. It also requires that reimbursements be processed before the end of the fiscal year in which the purchase was made.

At this school there was a change of principal in July 2011. Consequently, the conditions cited herein happened under the tenure of the former school administration.

10.1. During both fiscal years under audit, the school transferred most of the profit generated from the school and group pictures activities to the Trust Fund Special Purpose account[9]or $4,759. These represented the majority of the source of revenue to this account. During the 2010-2011 fiscal year, subsequent to the transfer, we noted that the school posted reimbursements for members of the former administration and staff totaling $682 for hospitality-related purchases. Some of the receipts supporting these reimbursements were dated during the

[9] Pursuant to Section IV, Chapter 4 of the Manual of Internal Fund Accounting, a transfer of up to 50 percent of the profit from general and class group pictures activity may be made from the General Fund-School Pictures to the School Special Purpose account. The school may request approval to transfer 100 percent under special circumstances, especially instances of financial need. However, such a transfer leaves the General Fund with no profits from the sale to cover general expenditures of the school.

previous fiscal year. At the end of June 2011, the Special Purpose account closed the year with an ending balance of $357. Other reimbursements were not made in a timely manner; however, were issued within the same fiscal year.

10.2. For the 2010-2011 fiscal year, the Instructional Materials and Supplies account disclosed one single disbursement of $850 consisting of various invoices for supplies dated over a year prior to the disbursement. In addition, there were other disbursements totaling $993 that had been previously posted to this account, but later modified and posted to the Community School YMCA Donations account. Similar to the prior audit, this was done because the school did not have district funds available to replenish the Fund 9 account by the end of the year. Our review of the Community School Activity account showed a total of $1,452 in custodial-related expenditures which schools customarily charge to the Fund 9 account or the General Fund. Revenues posted to the Community School Activity account consisted of donations from an outside child care provider given to the school for the purchase of supplies and equipment and for the overall enhancement of the After School Care Program.

According to Section II, Chapter IV of the Manual, the purchase of memberships to warehouse-type stores may be made by the schools to be used strictly for school activities and not for personal use by school employees. Memberships to be used mainly for general school use may be paid from the Special Purpose account and not the General Purpose account.

10.3. We found that during both years, the school paid $100 membership fee for the former school administration's wholesale club primary membership card in conjunction with the school's company card. In addition, a complimentary household card was obtained and issued to the spouse of the primary account holder. We noted purchases made on behalf of the school with the various membership cards. During the 2010-2011 fiscal year, the renewal for both the primary wholesale club membership and the school's company card was made with funds from the General Miscellaneous account instead of the Special Purpose account. Based on the card's activity, it appears that most expenditures were for hospitality related events of the school.

RECOMMENDATIONS

10.1. Discontinue the wholesale club membership since the level of school activities does not warrant such expense.

10.2. Plan disbursements accordingly to ensure that funds are available prior to authorizing purchases.

10.3. Curtail hospitality expenses and consider transferring profits from the General Fund-School pictures account to the Special Purpose account at 50 percent or less to allow for the General Fund to accumulate revenues for future use.

Responsible Person(s): **Principal, Assistant Principal, Secretary/ Treasurer**

Management Response:

- The Principal made personnel changes and has a new Secretary/ Treasurer in place.
- The Principal obtained assistance from the Internal Funds Business Manager with the training of the new Secretary/Treasurer who has been actively involved by reviewing procedures and providing organizational assistance.
- The Principal met with the Secretary/Treasurer and the Assistant Principal to review procedures delineated in Section II Chapter 5 of the *Manual of Internal Fund Accounting* regarding reimbursement requests from faculty/staff; and Section III Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using Instructional Materials and Educational Support Fund 9 Program.
- The Principal has discontinued the wholesale club membership and no other wholesale club memberships will be purchased with school funds.
- The Principal has implemented a systematic plan in which he will meet and review all expenditures with the Secretary/Treasurer to ensure that the account balance of the account being charged has available funds.
- Prior to purchases being made, FM1012, "Internal Funds Purchase Order", will be presented to the Principal and approved prior to proceeding. This form delineates the account structures to be used and the purchase amount. The "Available Funds by Object Screen", found in *MSAF*, will be printed and attached to the form to ensure available funds.
- All purchases will be recorded in the"Shopping Cart-Requisition-Purchase Order Log" found in the *North Region Budget and Internal Funds Procedures* Manual. This log will be reviewed by the Principal or Assistant Principal each time a purchase is made and used to track the status of purchases. This procedure will be used for all purchases including Fund 9, Special Purpose and General Accounts.
- The Principal will curtail hospitality expenses and use the standard 50% of the picture profits for use in the Special Purpose Account to allow General Funds to accumulate revenues.

Responsible Person(s): **North Regional Center**

Management Response:

- The North Regional Center Financial Business Operations Administrative Director instructed the principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.

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

Management Response:

Refer to page 42 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of North Hialeah Elementary School.

11. School-Sponsored Activities Non-Compliant With Guidelines *North Miami Senior*

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* establishes that school-sponsored fundraising activities must be accounted for in the school's internal funds. According to the guidelines, the school administration is responsible for ensuring that fundraising activities are conducted in accordance with internal funds' policies and procedures. Specifically, the guidelines require that monies collected and disbursed in connection with fundraising activities be processed through the internal funds of the school. Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Also, the school must maintain a Fundraising Activities Log [FM-6672] to record all fundraising activities approved by the administration and conducted by the school. Fundraising merchandise given away as complimentary must be properly documented with signatures or appropriate documentation. Losses from activities must also be properly accounted for on Certificates of Loss reports.

Pursuant to the implementation of the District's Wellness Policy, Healthy Beverage and Food Guidelines for food sales conducted at school campuses before, during and one hour after school restrict food items to no more than 35% of total calories from fat; and no more than 35% added sugar by weight. In support of the District's Wellness Policy, the Cooperative Sales Program, which is a collaborative partnership between the Athletics and Activities Departments and the School Food Service Program, was implemented at the senior high schools in July 2008. The intent was to facilitate the procurement of healthy food items through the school cafeteria, which school clubs can also sell during the day for fund-raising purposes. *Any items not procured through this program cannot be sold until one hour after the end of the school day as per the District Wellness Policy. The school was cited for a similar issue regarding a sale of doughnuts during the prior audit.*

At this school, one sponsor was responsible for the sale of yearbooks, newspapers, and was in charge of several fundraisers associated with these activities.

11.1. During the 2010-2011 fiscal year, the yearbook club conducted a cookie sale and a talent show. Our review of the cookie sale disclosed a shortfall of $2,881 between projected revenues of $8,136 and collections of $5,255 posted to the account. According to the Application for Fundraising Activities, cookies were baked and sold right after school, from 2:20 pm to 3:30 pm for $0.50 each. According to the sponsor, there was significant waste and spoilage during the handling and storage of the cookie dough which she did not document; and she was not aware of the time restrictions for holding a sale. Furthermore, pursuant to the healthy food guidelines, cookies sold contained calories, fat and sugar percentages which exceeded levels established in the District's healthy food guidelines and should not have been sold to students.

The talent show similarly disclosed a $250 shortfall between projected revenues of $3,700 and total collections of $3,450 deposited to the account. Admission tickets were printed for $5. However, a Distribution Log documenting the number of tickets distributed was not presented for audit; and the associated deposit documentation disclosed errors.

The newspaper sale in 2009-2010 disclosed a shortfall of $160 between projected revenue of $1,000 and total collections of $840 posted to the account. In addition, a Newspaper Monthly Operating Report was not prepared after December 2009. We reviewed the expenditures related to this activity in 2010-2011 and noted the school purchased two editions of the paper consisting of 4,000 copies; however, no sales were reported. According to the school administration, no sales happened during that year.

11.2. The Cheerleaders conducted a snack sale and although items were sold at various prices, the Student Activity Operating Report listed the prices of all items sold at $1. There were no expenditures reported for this activity. According to the sponsor, parents donated items to the club for resale; however, there was no documentation on file to support the types of items donated and sold.

Other discrepancies noted were as follows:

11.3. Student Activity Operating Reports [FM-0996] were incomplete or contained errors for both years. We also noted that admissions charged to the students for the 2010-2011 Grad Nite activity was not sufficient to cover the cost of the activity.

11.4. In the 2009-2010 fiscal year, admission tickets to the Senior Prom and Homecoming activities were donated, and the letter documenting the number of tickets donated was not on file. Regarding the Homecoming activity, the number of meals purchased exceeded the number of tickets sold and a complimentary list for chaperones that attended was not on file at the school. This activity suffered a loss. According to school staff, this was due to low ticket sales.

RECOMMENDATIONS

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

11.2. Review the procedures with sponsors to ensure awareness and compliance of the requirements; and consider the number of activities conducted at a given time by a sponsor.

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

Management Response:

The Principal held a meeting with the school's Treasurer, Activities Director, and Club/Activity Sponsors to review procedures outlined in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* related to fundraising, supporting documentation, reporting procedures, and completing the Student Activity Operating Report (FM-0996) and Activity Log **(**FM-6672). In order to avoid future audit exceptions, the principal will meet with the Secretary/Treasurer monthly to review activities and ensure guidelines are followed.

The Principal met with all Club and Activity Sponsors and reviewed the Internal Accounting Procedures relating to fundraising, collection of monies and the completion of required reports. The school's Treasurer will provide a calendar of all fundraising activities and the Principal will monitor the implementation.

The Principal and school's Treasurer will ensure that staff members/sponsors are informed of accounting procedures related to activities involving the use of tickets. Guidelines outlined from Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* were discussed during team meetings*,* particularly the use of the Ticket Distribution Log (FM-*0990)* and the *Use of Complimentary List Form* and donated tickets.

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

Management Response:

- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities to include receipting and depositing procedures, Student Activity Operating Reports, and posting transactions.

12. Inadequate Controls Over The Group Pictures Activity Resulted In Losses
Fienberg/Fisher K-8 Center

Section IV, Chapter 4 of the *Manual of Internal Fund Accounting* establishes the procedures for calculating payments to the photographer. Payments are customarily based on 60 percent of the total revenue collected for the activity plus sales tax. Furthermore, Section II, Chapter 5 of the *Manual* provides that disbursements be processed when sufficient uncommitted funds are available in the internal accounting structure where the expenditure is going to be charged; and that vendors be paid in a timely manner, within thirty (30) days of satisfactory receipt of goods/services unless the vendor agrees to a different payment schedule in writing.

During the audit we discovered discrepancies with the monies collected and disbursed from the classroom (group) picture activity for both the 2009-2010 and 2010-2011 fiscal years. We were unable to determine whether any monies were missing from either activity since the vendor was unable to provide a clear accounting as to the number of picture packages that were delivered to the school for either fiscal year. However, we were able to determine that controls over this activity require management's immediate attention for improvement.

For the 2009-2010 fiscal year, and as of the date of the initial audit visit in March 2011, school records disclosed that the school had conducted a group pictures sale; however, the photographer had not been paid. Regarding the 2010-2011 fiscal year activity, records showed that the school had issued a payment to the photographer for what appeared to be the group pictures activity for the 2010-2011 fiscal year. The payment had been posted to the General Fund—School Pictures account; however, we could not identify the corresponding sales in this or any of the school accounts. Pursuant to our inquiries, the Treasurer produced a box containing a total 470 group pictures as well as $47 cash. According to a statement provided by the school administration, it appears that the Treasurer collected the money from the few pictures that she had sold; however, she had not deposited the funds or posted the transaction to the automated accounting system in order not to bring attention to the fact that she had not sold most of the pictures ordered. Details follow:

12.1. For the 2009-2010 fiscal year, proceeds from the sale of 344 group pictures at $9 each amounted to $3,096. Pursuant to our inquiries as to why a payment had not been made, the vendor stated that an invoice had been sent; however, the Treasurer claimed that such invoice had never been received at the school. During the audit, the vendor submitted an invoice reflecting total sales of $5,076. This amount represented an unfavorable difference of $1,980 when compared to the total sales reflected in the school account. According to the school administration, the invoice erroneously included approximately 250 additional copies (representing five copies per classroom) which the vendor provided to the

school on a complimentary basis and which should not have been invoiced. However, the school did not have a complimentary list on file. The vendor acknowledged that complimentary copies had been delivered to the school and provided a revised invoice reflecting total sales of $3,096.

For the 2010-2011 fiscal year, proceeds from the sale of group picture packages could not be traced to any of the school accounts, although according to the Treasurer, she had sold all classroom/group pictures. Upon discussing the matter with the school administration and upon further questioning the Treasurer, it appears that a school-wide group picture sale never took place. We found that the photographer took the group pictures in May 2011, and the school received the pictures soon after. During the audit, the Treasurer produced a total of 470 pictures which she claimed to have kept stored in boxes located in the school's main office copy room.

We were unable to determine the exact number of pictures delivered by the vendor since the numbers on the form partially filled by the Treasurer and the photographer appeared altered. Similar to the previous year, it was unclear how many complimentary copies were included in the delivery.

Vendor invoices were delivered to the school in June 2011 and a check in the amount of $2,113 was issued to the vendor before the closing of the year. The payment was covered utilizing $1,902 available in the General Fund-School Pictures account from the Individual Pictures activity, in addition to $211 that was transferred from the Trust Fund-Special Purpose. We found that this transfer of funds was made without the knowledge and consent of the school administration.

12.2. The photographer's quote on file for the 2009-2010 fiscal year did not include a $9 classroom/group picture package price.

RECOMMENDATIONS

12.1. Discuss with staff the proper procedures for conducting the school pictures activity and direct staff to bring to your attention any discrepancies with the activity for immediate corrective action.

12.2. Implement a process of periodically reviewing internal funds transactions to ensure that all transactions have been processed and there are no delays in the posting of such transactions.

12.3. Implement the utilization of sub-ledgers to segregate the financial activity of Individual Student pictures and Classroom/Group pictures.

Persons Responsible: **Principal, Assistant Principal, Secretary/Treasurer**

Management Response:

- The principal, assistant principal and secretary/treasurer reviewed Section IV, Chapter 4 of the *Manual of Internal Funds Accounting* which establishes the procedures for calculating payments to the photographer.
- The principal, assistant principal and secretary/treasurer set up a system for collection and disbursement of picture monies.
- The three picture bids will be gathered and presented to the principal for selection, signature and scheduling of dates for individual and group pictures. The secretary/treasurer will receive all parent information flyers and present to the assistant principal before distribution. Given a time table, the secretary/treasurer will distribute to each homeroom teacher and begin collection of payment.
- Once picture monies are collected and receipted, the secretary/treasurer will report directly to the principal the daily account input activity, which will be monitored by the principal on a daily basis. The secretary/treasurer will keep money collected for individual pictures separate from that collected for group pictures through the implementation of sub ledgers.
- The secretary/treasurer, under the supervision of the assistant principal, will count, distribute and receive signature for all complimentary pictures. All left over complimentary pictures will be filed with the picture information for the school year.
- The secretary/treasurer, under the supervision of the principal, will ensure each picture receipt package includes the recap, computer generated deposit information sheet, and computer generated receipt and bank receipt.
- The secretary/treasurer will share purchase of pictures invoice from the vendor with the principal and payment will be made within two weeks of receipt.
- The principal/assistant principal will implement the use of a school-site calendar to track all activities and events.

Person(s) Responsible: **North Regional Center**

Management Response:

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow establishing the procedures for calculating disbursements.

- The Principal will submit to the North Regional Center Financial Business Operations Administrative Director picture bids for review and approval.

- The North Regional Center Financial Business Operations Administrative Director cooperatively with the Principal will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.

- The North Regional Center Financial Business Operations Administrative Director cooperatively with the Principal will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

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

Management Response:

Refer to page 42 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Fienberg/Fisher K-8 Center.

13. Inadequate Controls Over The Accounting and Inventory Of Physical Education Uniforms *Miami Northwestern Senior*

Section III, Chapter 5 of the *Manual of Internal Fund Accounting* establishes that mandatory property items to be used by students in school may be purchased by the school and made available for sale/rental to the students. It further mandates that fees charged to the students for these items must be submitted on the Special Fees and Charges School Request Form [FM-2396] to the Region for approval. Furthermore, the sales price of uniforms must be as close to cost as possible, inclusive of sales tax and any shipping and handling charges. Excessive carryover balances may not accumulate in these functions, therefore sales prices must be adjusted annually, if needed.

Regarding proper documentation of inventory, the *Manual* requires that the school maintain inventory records during the fiscal year, conduct a year-end physical inventory count, and prepare an *Inventory and Operating* Statement [FM-0987] at the end of the year for uniforms that are sold.

A review of the sale of Physical Education uniforms for the 2009-2010 and 2010-2011 fiscal years disclosed the following discrepancies:

13.1. The school conducted the sale of mandatory Physical Education (P.E.) uniforms as a fundraiser and documented the inventory on a Student Activity and Operating Report as opposed to our previous recommendation that an Inventory and Operating Statement be prepared. Inventory and Operating Statements for the 2009-2010 and 2010-2011 fiscal years were prepared during the course of the audit after-the-fact and contained errors.

13.2. An unfavorable combined difference of $945 was noted between our projected revenue of $7,365 and actual collections of $6,420 posted to the account for both fiscal years. According to the school, the difference may be attributed to a theft that took place during the 2010-2011 fiscal year. However, the theft was not formally documented nor reported to School Police; and the number of uniforms that were allegedly stolen was not officially determined by the school at the time of the incident.

13.3. The invoice for 410 units with a total cost of $4,192 dated August 2010 was not paid until December 2010. According to the school, the delay was the result of a discrepancy between units invoiced and those received which took some time to resolve; however, the discrepancies were not documented prior to our inquiries.

13.4. The students were charged approximately between $1.60 and $4.80 over the cost of the uniforms, thus accumulating an ending balance at the close of the 2010-2011 fiscal year of $3,378.

13.5. In two instances, we found that the school issued the check in the name of a third party to pay for the merchandise. These two payments totaled $3,860. According to the school, the vendor's name had changed and this was done at the request of the vendor.

Section II, Chapter 4 of the *Manual* requires that purchases of $1,000 or more but less than $5,000 be documented with a minimum of three telephone quotes. For each fiscal year, the school purchased approximately $4,000 from the same vendor.

13.6. Documented telephone quotes were not included as support for these disbursements.

RECOMMENDATIONS

13.1. Discuss the procedures with staff and implement controls over the sale of P.E. Uniforms, including the preparation, review, and filing of Operating Reports.

13.2. Ensure that formal quotes are obtained for purchases of $1,000 or more. For the 2011-2012 fiscal year, in order to comply with district policy, one of the quotes should be from a minority vendor

13.3. Adjust sales prices to comport with district policy.

13.4. Ensure that inventory of uniforms is secured in a more controlled environment and that perpetual inventory counts are accurate.

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

Management Response:

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section II, Chapter 5 of the Manual of Internal Fund Accounting in order to ensure full compliance with established procedures that mandate that fees charged to students are referenced on the Special Fees and Charges School Request Form that is submitted to the Region for approval, sales price of uniforms are as close to cost as possible, inclusive of sales tax and any shipping and handling charges.

The Principal directed the Treasurer to issue a receipt for each P.E. uniform sold. The Principal directed the Physical Education teachers to send students five at a time to the Treasurer's Office in order to purchase and receive uniforms.

The Treasurer was directed to maintain accurate receipt logs for all uniform sales. The Treasurer was directed to inventory and store in a secure location all P.E. uniform

merchandise for audit purposes. The Treasurer will retain the remainder of the uniforms as well as complete the form for left over merchandise. The Treasurer was directed to complete and submit signed documentation for any complimentary uniforms to the Vice Principal for review with the Principal.

The Treasurer was directed by the Principal to secure three quotes for purchases of $1,000 or more and to establish with the Principal the cost to ensure the amount is in compliance with the parameters established in the Manual of Internal Fund Accounting. Monies collected from uniform sales will be utilized to purchase additional uniforms for the upcoming school year. Additionally, the Treasurer was advised to provide a copy of the monthly report. This process will be monitored by the Vice Principal on a bi-monthly basis and the Principal at the close of the month to ensure on-going compliance.

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

Management Response:

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to accounting and maintaining inventory of physical education uniforms and the acquisition of the required 3 bids to ensure compliance with district policy and procedures.
- The Education Transformation Office Administrative Director, cooperatively with the Region Business Manager from the Office of Internal Funds and the Principal, will conduct quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

14. Inadequate Controls Over Yearbook Sales
Miami Northwestern Senior

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

During the two prior audits, we discussed with the former school administration issues related to the yearbook activity which required improvement. These included low sales and high ending inventories of unsold books, incomplete bid documentation and yearbook activity operating reports that were not properly completed. The prior audit was signed during June 2010; consequently, we analyzed the 2010-2011 activity and noted the following issues, which need the attention of the current school administration:

14.1. For the 2010-2011 fiscal year, the school reduced the order of yearbooks as we had previously recommended; however, of the 150 ordered, the school only sold 92 for a leftover balance of 58 unsold books or 39% of total books ordered. Of this total, the school gave 16 books as complimentary and 42 remained unsold at year-end. However, our count of the unsold books disclosed that the school could not account for 4 books with a potential sales value of approximately $270.

14.2. The Distribution and Operating Reports continued to disclose errors, while Committee Appraisal and Bid Tabulation Forms for the 2010-2011 fiscal year were not presented for audit. Additionally, the 2010-2011 winning bid was not signed by the Principal.

14.3. Yearbooks were offered to students at different prices during the year. Prices ranged between $60 and $85. However, the school's 2010-2011 Special Fees and Charges Lists approved by the Education Transformation Office set the sales price between $60 and $75. Additionally, the sales price exceeded the cost of the book, which we calculated at approximately $69.

RECOMMENDATIONS

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

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

Person(s) Responsible: **Principal, Vice Principal, Treasurer, and Yearbook Sponsor**

Management Response:

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section IV, Chapter 6 of the Manual of Internal Fund Accounting in order to ensure full compliance with: Bid Tabulation, Committee Appraisal-Yearbook Printing, Monthly Operating Reports and Distribution Report.

The Yearbook Sponsor was directed to obtain a receipt from the Treasurer when turning in monies from sales and to meet periodically with the Treasurer to review monies posted to and disbursed from club accounts. The Yearbook Sponsor was directed to submit monthly operating statements for sold, unsold and ad sales. This process will be monitored on a bi-weekly basis by the Vice Principal and randomly monitored by the Principal throughout the school year.

The Treasurer and Yearbook Sponsor were directed to complete distribution logs. The Treasurer was directed to locate and store all yearbooks in a secure location for monitoring of distribution and maintaining any remaining books for audit purposes. The Yearbook Sponsor will only receive the pre-sold yearbooks as well as submit signed documentation upon receipt. The Treasurer will retain the remainder of the books as well as complete the form for left over merchandise. The Yearbook Sponsor was directed to complete and submit signed documentation for complimentary yearbooks. This will be randomly monitored by the Vice Principal on a bi-weekly basis and the Principal on monthly basis.

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

Management Response:

- The Principal has been directed to closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

15. Yearbook Activity
Not In Compliance
North Miami Senior

Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*, establishes that the purchase of yearbooks by students is entirely optional, and in senior high schools, the sales price should be as near the average cost of the yearbook as possible. The yearbook activity must be sponsored by the school with a faculty adviser/sponsor designated to oversee the production and sales activity, and ascertain that it is conducted in accordance with prescribed policies and procedures. The publishing costs for the yearbook are mainly financed by the sale of the yearbooks and advertising. The guidelines further advise the yearbook sponsor to review the yearbook order from the prior year and number of books sold before specifying the number of copies to order in the next year's bid. Additionally, School Board Rule 6Gx13-6A-1.25[10] establishes the guidelines regarding the fees to be charged to students for yearbooks. This school did not conduct the yearbook activity during the prior audit.

The following discrepancies were noted during the review of the 2009-2010 and 2010-2011 yearbook activity:

15.1. In 2009-2010, of 220 yearbooks received, 57 books with a retail cost of $3,295 remained unsold at the end of the year. Of the 57, ten books were unaccounted for at the time of the audit. In 2010-2011, the yearbook order was not decreased. Consequently, 73 books with a retail cost of $4,276 remained unsold and in ending inventory and one book was unaccounted for.

We reviewed the 2011-12 yearbook bid and the school did not decrease the number of books ordered. According to the sponsor, the number of books ordered was the minimum amount accepted by the vendor.

15.2. During the audit period, Monthly Operating Reports, Distribution Reports, Bid Tabulation Forms, and Log of Yearbooks Sold were either incomplete or not on file at the school. Some of these reports were prepared by the internal auditor.

[10] School Board Rules were repealed effective July 1, 2011. Effective July 1, 2011 adopted Board Policy No. 6152 *Student Fees* addresses the subject of student fees such as yearbooks in a similar manner.

RECOMMENDATIONS

15.1. Order yearbooks in quantities which are commensurate with student demand.

15.2. Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.

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

Management Response:

The Principal met with the Administrative Team, Yearbook Sponsor, School Treasurer, Activity Director and reviewed Section IV, Chapter 6 of the Manual of Internal Fund Accounting. As a result of the meeting, the Principal decided to discontinue/eliminate the purchase of Yearbooks.

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

Management Response:

- The Principal has discontinued the purchase of Yearbooks.

16. Yearbook Sales Not Sufficient To Cover Yearbook Costs
Miami Norland Senior

During the 2010-2011 fiscal year, the school ordered 150 yearbooks with a total cost of $10,751. As of June 2011, only 36 of the 150 yearbooks were sold. In addition, the Monthly Operating Reports were not prepared. The school was able to pay the invoice in full with proceeds accumulated in the account from previous years' activities. The yearbook advisor in charge of this activity during the 2010-2011 fiscal year is no longer employed at this school. As of September 2011 the school had not entered into a contract for the 2011-2012 school year.

RECOMMENDATION

16. In the event a yearbook activity is conducted in 2011-2012, the administration should closely monitor this activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses, and that Monthly Operating Reports are prepared in a timely manner.

Person(s) Responsible: Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer

Management Response:

The Principal will closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner. Supportive of this effort we have adopted a "memory book" concept that only cost $35.00 in lieu of $75 to $100 per yearbook.

Person(s) Responsible: ETO Operations

Management Response:

- The Principal has been directed to closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

17. Year-End Athletic Ticket Inventory Not Prepared At Year-End And Errors In Football Ticket Deposits *Miami Southridge Senior*

The *Interscholastic Athletic Manual* establishes the procedures to account for the athletic admission tickets, and to document via game reports the income and expenses associated with these athletic games. According to the procedures, an inventory of tickets must be conducted at year-end and a game report must be completed for every athletic game.

Before the start of the new school year, on a selected basis, we verify the athletic ticket inventory, game reports, and monies posted in the system and deposited in the checking account, to ensure that revenues raised from the sale of athletic tickets have been deposited in the accounts. At this school:

17.1. We conducted the verification of the athletic ticket inventory and ticket sales for the 2010-2011 fiscal year. We found that the athletic ticket inventory report for the 2010-2011 fiscal year had not been prepared by year-end. An inventory was subsequently prepared by Athletic Department staff at our request. Our verification of the ticket inventory and subsidiary records disclosed that the inventory contained a few errors and omissions, and in two instances, game reports were not on file.

17.2. In regards to monies collected from athletic activities, our sample of receipts disclosed four instances during the 2010-2011 fiscal year where deposits made by athletic staff from the sale of football tickets were erroneously prepared and understated. In one instance, the deposit was understated by as much as $1,000 and the bank subsequently issued a credit to the school. These errors, although corrected, contributed to delays in the posting of a portion of these monies to the system.

RECOMMENDATIONS

17.1. Review with staff from the Athletic Department those procedures regarding the preparation of athletic inventory, the reconciliation of ticket sales, and the preparation of deposits.

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

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

Management Response:

Prior to the audit, the Principal replaced the Athletic Business Manager due to inconsistent job performance.

The Principal met with the Athletic Director and new Athletic Business Manager regarding the correct procedures that must be followed for the preparation of the athletic inventory, the reconciliation of ticket sales, and the preparation of deposits.

To ensure that proper procedures are followed, the Athletic Department has visited to review best practices with an Athletic Business Manager from alternate High School. Ongoing cross-school visitations will occur throughout the school year to establish sound practices and school-site processes to ensure non-reoccurrence.

Going forward, the Vice Principal will monitor the ticket sales and the preparation of the deposits for the home football games. Additionally, the Principal will meet with the Treasurer and the Athletic Business Manager to review all game reports and Athletic Fund activities in a timely manner.

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

Management Response:

- The Education Transformation Office Administrative Director directed the Principal to meet with the new Athletic Business Manager and Treasurer to thoroughly review the procedures for the preparation of the athletic inventory, reconciliation of ticket sales and the preparation of deposits to ensure proper receipting of funds and timely and accurate reporting of deposited funds.

PAYROLL

18. Inadequate Documenting And Recording Of Payroll Resulted In Discrepancies *Miami Northwestern Senior*

The *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department on October 2010 via Weekly Briefing No. 8707 establish the procedures for documenting, recording and reporting the payroll. According to the *Manual*, the Daily Payroll Attendance Sheet is one of the most important documents in the payroll process. Accordingly, its accuracy and completeness are essential to school site administration that relies on this document to certify that the payroll information being reported is correct.

Our review of three sampled pay periods under the tenure of the former school administration disclosed a few discrepancies.

18.1. We identified instances where the attendance reported on the Daily Payroll Attendance Sheets, Final Rosters and leave cards did not agree. In most instances employees were reported on vacation while leave cards and Daily Payroll Attendance Sheets indicated the employee was out on sick or personal leave.

18.2. There were a few instances where hourly and daily paid employees were either over or under paid; however, one of these instances corresponded to the payroll clerk, who reported two hours in excess of those documented in the rosters. Corrections were made at our request. In addition, there were two instances where an employee failed to indicate his presence and was reported as having worked hours. According to the payroll clerk, the employee was present on both occasions; however, failed to indicate his presence.

An application for Leave Card [FM-5949] is used by full-time employees to document their absences for scheduled work days. As a general rule, if the activity is on M-DCPS property, no leave card is needed, except when a substitute is required.

18.3. With reference to leave cards, we noted instances where leave cards were incomplete, incorrect, or not presented for audit. Furthermore, a comparison of employee leave cards disclosed that the employee's signature differed significantly between cards, thus giving the appearance that the card may have been signed by someone other than the employee and this condition was not clearly denoted.

The District requires school sites to use the *Temporary Instructors Daily Payroll Attendance Sheet (Pool And Emergency Substitutes)* [FM-7090] to document time worked by substitutes. In addition to recording substitute attendance on this form, *the absent employee's number and name should also be indicated on the same form. Furthermore, in those instances where the Temporary Instructor is not being charged against an absent teacher or an open position, a "memo of explanation" must be kept on file with the payroll records.*

18.4. We identified seven instances where the Daily Payroll Attendance Sheets for temporary instructors were incomplete as the assignments were not identified. According to the payroll clerk, these employees were contacted to come to work in anticipation of teacher absences.

RECOMMENDATIONS

18.1. Review payroll procedures with school staff and administration, particularly as they relate to payroll reporting, recordkeeping, and the preparation of leave cards to ensure understanding and awareness of the procedures.

18.2. Strengthen the overall review of the payroll process and all payroll records to ensure that documentation supports the payroll reported.

Person(s) Responsible: **Principal, Assistant Principal, Payroll Clerk and Back-Up Payroll Clerk**

Management Response:

As a newly assigned Principal, in order to ensure proper procedures were established, the Principal met with the Assistant Principal in charge of payroll, the Payroll Clerk, and Back-Up to review the Payroll Processing Procedures Manual and Payroll Highlights to ensure the implementation of a sound system for documenting, recording, and reporting the payroll.

In November 2011 the Principal conducted a Faculty and Staff meeting and reviewed the newly written school site procedures for signing in and out on a daily basis. Procedures were provided in writing and signature of acknowledgement from all staff was acquired and is on file. In the new procedures, the Payroll Clerk and the Assistant Principal must verify on a daily basis that employees present for the day have indicated presence and the appropriate codes have been inserted (e.g., S – Sick, P- Personal) for individuals not present for the day. The Payroll Clerk must complete the corresponding Leave Card on a daily basis and the Assistant Principal verify the accuracy of the information. The Assistant Principal monitors the acquisition of the signature from the appropriate staff member. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The hourly payroll is manually calculated utilizing a calculator and the running tape is provided to the Assistant Principal at the time of payroll submission. The Assistant Principal will review the Working Roster and outline any discrepancies with the Principal. Prior to the on-line approval of the payroll, the Principal will review the Final Roster and all corresponding documents for final completion and accuracy.

Going forward, as a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty and staff. Emphasis will be placed on the required payroll procedures for all personnel. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be acquired and maintained on file.

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

Management Response:

- The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the Payroll Processing Procedures Manual and Payroll Highlights.
- The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Assistant Principal, Payroll Clerk and Staff.

19. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll
Miami Southridge Senior

The *Payroll Processing Procedures Manual* and *Payroll Highlights* published by the Payroll Department establish the procedures for documenting, recording and reporting the payroll. According to the *Manual*, the Daily Payroll Attendance Sheet is one of the most important documents in the payroll process. Accordingly, its accuracy and completeness are of paramount importance to school site administration that would customarily rely on this document to certify that the payroll information being reported is correct.

At this school, an administrator other than the Principal is assigned to supervise and approve the payroll. We reviewed three payrolls reported in May and June 2011 and noted the following discrepancies:

19.1. In all three pay periods reviewed, the Cafeteria manager had signed in/out on the Daily Payroll Attendance Sheets on behalf of the entire cafeteria staff. According to the Cafeteria manager, she had completed the Daily Payroll Attendance Sheets based on ancillary sign-in sheets completed by the staff; however, these documents were not on file to support the time reported. According to the school administration responsible for overseeing the payroll, although these original documents could not be located, the attendance of cafeteria staff was accurately documented and recorded.

19.2. A review of the sign-in sheets available during the audit visit, which took place on August 25, 2011, disclosed instances where cafeteria employees had not signed in/out for the current or previous two days. This corresponded to the August 19 through September 1, 2011 pay period. We discussed this matter with the administration, who acknowledged that employees had failed to document their attendance.

Subsequent to our initial audit visit, we returned to the school to review the August 19-September 1, 2011 pay period and follow up on the payroll reporting procedures. We found that the times in/out recorded on the employees' sign-in sheet copied during our initial audit visit, and the times in/out of cafeteria employees on file for the same two dates during the August 19-September 1, 2011 pay period did not coincide. Furthermore, a review of this pay period and the following pay period disclosed three instances where, based on the attendance documents on file, an employee had been underpaid or overpaid a few hours. Corrections were made at our request.

RECOMMENDATIONS

19.1. Review with Cafeteria staff the sign in/out payroll procedures and the proper documentation of payroll hours.

19.2. Direct the Cafeteria manager and the payroll clerk to maintain the original sign in/out attendance rosters on file to properly support the payroll reported.

19.3. Strengthen the overall review of payroll and ancillary documentation to ensure the accuracy, completeness and propriety of the payroll reported.

19.4. Periodically review the sign in sheets of Cafeteria staff to ensure that employees are signing in/out in a timely manner.

Person(s) Responsible: **Principal, Vice Principal, Cafeteria Manager, and Payroll Clerk**

Management Response:

In order to ensure proper procedures are followed, the Principal met with the Cafeteria Manager, Payroll Clerk and Vice Principal to review the Payroll Processing Procedures Manual and Payroll Highlights to establish a sound system for documenting, recording, and reporting of payroll.

The Principal met with the Cafeteria Manager and cafeteria hourly employees and reviewed the proper sign in/out procedures emphasizing that employees need to sign-in/out in their own hand writing. During the meeting, payroll reporting procedures were provided in writing and a signature of acknowledgement form from the Cafeteria employees were obtained and are on file. The Principal has re-located the sign-in sheet to the Main Office area and is periodically reviewing for compliance. From this point forward, the initial calculation will occur by the Payroll Clerk with final review and tabulation by the Vice Principal prior to approval by the Principal.

The Principal met with the Vice Principal and Payroll Clerk and instructed them to maintain on file the original hourly sign-in/out attendance rosters to properly support the payroll reported.

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

Management Response:

- The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the Payroll Processing Procedures Manual and Payroll Highlights.
- The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Vice Principal, Payroll Clerk and Cafeteria Manager.

PROPERTY

20. Improper Procedures For The Disposal Of Property Resulted In The Reporting Of "Unlocated" Property
Dr. Michael M. Krop Senior

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

Section 4 of the *Manual* also establishes the guidelines for the disposition of property. Accordingly, any property items moved to another location within the school system, either temporary or permanently will be recorded on an "Outgoing Controlled Equipment" Form [FM-1670]. In regards to the disposal of equipment that is outdated, of no value or use to the school, School Board Rule 6Gx1-3B-1.09 *Disposal of Tangible Personal Property*[11] established that tangible personal property that is obsolete, uneconomical, inefficient, or that serves no useful function shall be disposed of by completing an "Outgoing Controlled Equipment" Form [FM-1670]. This form shall be used to record any request for disposition of a described item of property and to record review and approval. All items with a value of less than $1,000 for disposal as junk or salvage shall be assigned to Stores and Mail Distribution warehouses which will be the sole processor of disposal.

At this school, the latest property inventory of items with an individual cost of $1,000 or more was conducted in September 2011. Inventory records listed 714 items with a total value of $1,922,375.

Our physical verification of property disclosed that 58 property items with a depreciated value of $667 and an acquisition cost of $64,429 could not be found (otherwise referred to as "unlocated"). The "unlocated" property consisted of computer equipment with acquisition dates of May 1998 through July 2004.

Based on documentation provided by the school, it appears that some time in May 2011, under the tenure of the former school administration, a recycling vendor picked up the property in question at the school site as "recyclable material" and directly paid the school $357 for the exchange. This method of disposal does not comport with School

[11] Board Policy 7310 *Disposition of Surplus Property* became effective in July 1, 2011 and replaced School Board Rules 6Gx1-3B-1.09 and 6Gx1-3B-1.091 on the same subject.

Board policy, which requires the involvement of Stores and Mail Distribution in the disposal of tangible property. According to staff and administration, the improper disposal of the equipment resulted from a misunderstanding of the guidelines associated with a recently instituted pilot recycling program at the schools and non-school sites. Information related to the program was disseminated to the schools via a Weekly Briefing in April 2011.

We reviewed Weekly Briefing (WB) No. 9750, dated April 28, 2011, which was published to distribute information on a pilot recycling program whose purpose was to raise funds for the schools and for a direct support organization of Miami-Dade County Public Schools. According to the WB's written guidelines, students, staff, parents, and community members were encouraged *to bring recyclable items for pickup and sale to a vendor*. Nonetheless, the briefing's guidelines clearly indicated that the *disposal of district equipment was not part of the program and schools and work locations were to continue to follow M-DCPS procedures for the disposal of equipment*.

RECOMMENDATIONS

20.1. Ensure that staff and administration, particularly those in charge of property management, understand and are fully aware of the procedures for accounting and disposing of property; and strengthen management control over property items at the school.

20.2. The school should return to the district those funds received from the equipment sale as restitution for the "unlocated" equipment.

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

Management Response:

- The Principal, Assistant Principal who oversees property, and the secretary who maintains the property listing, have reviewed Section 4 of the *Manual of Property Control Procedures* regarding the procedures for recording and managing property as well as for the disposition of property.
- The Principal developed a systematic process for accounting for and disposing of property.
- Property inventory will be maintained through an online database. Movement of any pieces of property will be monitored through the Assistant Principal who oversees property. Updating of the database will be completed by the secretary for property.
- Quarterly in-house property reviews will be conducted to ensure the identification of all property control items and their locations.
- Unaccounted for items will result in an in-house inquiry throughout the building to locate the item in question.

- If the item cannot be located, the procedures for filing a plant security report will be implemented and the region will be notified.
- Property that needs to be disposed of will be moved to one central location with an "Outgoing Controlled Equipment Form" completed by the Assistant Principal. Property shall then be assigned to Stores and Mail Distribution warehouse, which will be the sole processor of disposal.
- The Assistant Principal who oversees property will submit the Outgoing Control Form to the Principal for review and signature. A copy will be provided to the secretary to update the property listing.
- The Assistant Principal in conjunction with the Principal will maintain all documentation.
- The Principal met with the school's staff and reviewed the aforementioned procedures for property control, the procedures for the disposition of property, and the guidelines for the recycling program outlined in briefing #9750.
- The Principal met with the Treasurer to return to the District the funds received from the equipment sale as restitution for the property in question. Check number #022218 in the amount of $356.82 was submitted to The School Board of Miami Dade County.

Responsible Person(s): **North Regional Center**

Management Response:

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to review Section 4 of the *Manual of Property Control Procedures* regarding the procedures for recording and managing property as well as for the disposition of property.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to develop a systematic written process for accounting for and disposing of property.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to meet with the school's staff to review the aforementioned procedures for property control, the procedures for the disposition of property, and the guidelines for the recycling program outlined in weekly briefing #9750.

- School Principals will be required to participate in the District's Money Matters Support Program and address specific audit findings in their job targets on the School Administrator Performance Management Assessment Form and provide progress points and evidence of progress to ensure effective and efficient practices.

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

Management Response:

- District/School Operations will work collaboratively with the Regions in providing assistance to the schools with property management issues, and in reference to corrective plan of action from Region and District administration to ensure that property issues undergoing relocation from one site to another are closely monitored and judiciously expedited.

Refer to page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Dr. Michael M. Krop Senior High School.

FTE RECORDS AND PROCEDURES

21. Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential FTE Funding Disallowances *Miami Norland Senior*

For the 2010-2011 school year, guidelines and procedures for maintaining ELL student information were provided through the 2010-2011 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELLs).*

The Limited English Proficiency (LEP) Student Plan is part of the permanent student cumulative record folder and is developed by including information such as student name, instruction in appropriate programs, amount of instructional time or schedule, date of LEP identification, and assessment date used to classify or reclassify students as LEP, date of exit and assessment data used to exit student as English proficient, as well as reclassification information. All sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students. For a student who has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress annually. Also, the ELL Plan must be signed and dated at the bottom, prior to the October FTE period.

According to the guidelines, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6577] and Home Language Surveys [FM-5196] must also be properly completed and are to be filed in the ESOL Program Record folder.

A review of a sample of 10 ELL student folders disclosed discrepancies in every folder. Although calculated losses were not significant, the sample's high error rate requires management's immediate attention. We noted the following:

21.1. Five Individual ELL/LEP Student Plans [FM-4650] for the 2010-11 school year were not evident in the student folders; and those found were not properly completed. Specifically, the ELL/LEP Plan was not signed or dated at the bottom of the plan; the ESOL Level and Update section was completed incorrectly; committee meetings documented in the plans did not have the required number of signatures; or the meetings were not documented.

21.2. Three Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6577] were not evident and two did not have the Principal's signature.

21.3. A copy of the academic schedule for the 2010-2011 school year was not evident for five students.

21.4. One Home Language Survey [FM-5196] was not dated.

Pursuant to our potential loss calculations, the findings stated above generated a potential loss of $1,434 in FTE funding to the school.

RECOMMENDATION

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

Person(s) Responsible: **Principal, Vice Principal, Assistant Principal over ESOL, Activities Director, and Treasurer**

Management Response:

To reduce the probability of losses in funding and other non-compliance issues regarding ESOL criteria, the Principal and the Assistant Principal over ESOL will review on a quarterly basis all ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS in a timely manner.

The Principal reviewed the following with the Assistant Principal over ESOL:

- Directed the Assistant Principal over ESOL to conduct an ESOL Program Record compliance audit immediately and to inform the Principal of any discrepancies. All noted deficiencies were addressed immediately upon their finding.
- Discussed ESOL Program Record compliance procedures with the Assistant Principal over ESOL to ensure understanding of the expectations of the Federal, State, and District authorities.
- A work plan was developed that addresses the manner by which ESOL Program Records will be maintained and updated to ensure that the information is accurate and that all pertinent forms are completed and filed in the appropriate folders immediately after the information is entered into ISIS in a timely manner.

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

Management Response:

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

22. Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances
M. A. Milam K-8 Center

For the 2010-2011 school year, guidelines and procedures for maintaining English Language Learners (ELL) student information were provided through the 2010-2011 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, and the *District Plan For Services to English Language Learners.*

A review of a sample of 40 ELL student folders at this school disclosed discrepancies in all 40 student files (100%). Pursuant to our calculations, the discrepancies enumerated below could have resulted in FTE funding disallowances of approximately $6,200 to the District. Although this amount represented approximately 0.87% of the total funding generated at this school based on participation of ELL students during the 2010-2011 Survey Period 3[12], the high discrepancy rate disclosed by our sample reflects that appropriate staff and school administration should be paying closer attention to the preparation and maintenance of ELL student records. Details follow:

The Limited English Proficiency (LEP) Student Plan is part of the permanent student cumulative record folder and is developed by including information such as student name, instruction in appropriate programs, amount of instructional time or schedule, date of LEP identification, and assessment date used to classify or reclassify students as LEP, date of exit and assessment data used to exit student as English proficient, as well as reclassification information. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

[12] For fiscal year 2010-2011 Survey Period 3, the total Weighted ELL FTE funding was calculated at $711,424. Total ELL student participation was 412 students.

22.1. In all 40 instances reviewed, the printed 2010-2011 ELL/LEP Student Plan [FM-4650] was incomplete. Specifically, the Plan was missing the teacher's signature, employee number and date. According to school staff, they were aware of the signature requirements.

RECOMMENDATION

22. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that all pertinent forms are properly signed.

Responsible Person(s): **Principal, Assistant Principal, ESOL Department Chairperson, Registrar**

Management Response:

- The principal, assistant principal, ESOL department chairperson, and registrar reviewed the requirements delineated in the District Plan for Services to English Language Learners and the information and reminders provided by the Division of Bilingual Education and World Languages to ensure strict adherence to the established procedures for the maintenance of ELL student records.
- The principal met with the assistant principal, ESOL department chairperson, and registrar and implemented procedures to review all incoming and existing ELL student records for required signatures.
- The principal established a procedure to conduct quarterly in-house reviews of ELL cumulative folders to ensure compliance with all established requirements. The assistant principal and ESOL department chairperson will utilize the Bilingual Program Monitoring Form provided by the Division of Bilingual Education and World Languages and comply with all outlined requirements.
- The principal instructed the ESOL department chairperson to provide training to all ESOL teachers in relation to maintaining student records and completing properly all documents in the Limited English Proficient (LEP) folders, with particular emphasis on the Individual Student ELL/LEP Plan – Elementary [FM-4649] and Individual Student ELL/LEP Plan – Secondary [FM-4650].
- Through careful planning and monitoring, the administration of M.A. Milam K-8 Center will ensure that all employees adhere to all of the policies and procedures established for maintaining ELL student records.

Responsible Person(s): **North Regional Center**

Management Response:

- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and LEP folders are carefully reviewed for compliance upon entry.

- The North Regional Center Financial Business Operations Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's ELL Supervisor and the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ELL program.

- Results from the District and Region mini-reviews will be submitted to the North Regional Center Financial Business Operations Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.

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

Management Response:

- District/School Operations will work collaboratively with Region Centers and facilitate appropriate training from District Offices in Title I, Bilingual Education and/or Special Education Department, respectively.

- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures.

Refer to page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of M. A. Milam K-8 Center.

23. Discrepancies In English Language Learners' Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances
Gateway Environmental K-8 Learning Center

For the 2010-2011 school year, guidelines and procedures for maintaining English Language Learners (ELL) student information were provided through the 2010-2011 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, and the *District Plan For Services to English Language Learners.*

A review of a sample of 19 ELL student folders at this school disclosed discrepancies in all 19 student files (100%). Pursuant to our calculations, the discrepancies enumerated below could have resulted in FTE funding disallowances of approximately $2,400 to the District. Although this amount represented approximately 0.73% of the total funding generated at this school based on participation of ELL students reported during the 2010-2011 Survey Period 3[13], the high discrepancy rate disclosed by our sample reflects that appropriate staff and school administration should be paying closer attention to the preparation and maintenance of ELL student records. Details follow:

The Limited English Proficiency (LEP) Student Plan is part of the permanent student cumulative record folder and is developed by including information such as student name, instruction in appropriate programs, amount of instructional time or schedule, date of LEP identification, and assessment date used to classify or reclassify as LEP, date of exit and assessment data used to exit student as English proficient, as well as reclassification information. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. However; we found that:

23.1. In 18 of 19 instances reviewed, the printed 2010-2011 ELL/LEP Student Plan [FM-4649] was incomplete. Specifically, the Plan was missing the teacher's signature, employee number and date. In the other instance, the 2010-2011 ELL/LEP Student Plan was missing from the folder.

[13] For fiscal year 2010-2011 Survey Period 3, the total Weighted ELL FTE funding was calculated at $328,133. Total ELL student participation was 194 students.

Parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6577] and *Home Language Surveys* [FM-5196] must be properly completed and are to be filed in the ESOL Program Record folder. However, we found that:

23.2. In four instances, the *Home Language Survey* was not properly completed. In another instance, the *Notice to Parents/Guardians of English Language Learners (ELL)* [FM-6576] letter was not filed in the folder.

All LEP students new to the District are administered the Oral Language Proficiency Scale Revised (OLPS-R) Interview with Guidelines [FM-5924]. This tool, which serves to determine the student's oral language proficiency, is used to screen and initially place students into the ESOL Program; update the student's level at the end of the year; and determine when students are ready to exit the program. This information is located in the student's ESOL Program Record folder. We found that:

23.3. In three instances, the test assessment date noted in the student's LEP Plan and the corresponding date listed in the OLPS-R testing materials section [FM-5924] did not agree. In two other instances, evidence of CELLA and FCAT test results[14] were not in the student files.

RECOMMENDATION

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

Responsible Person(s): Principal, Assistant Principal, Registrar, and ESOL Teachers

[14] The Comprehensive English Language Learners Assessment (CELLA) test scores and Florida Comprehensive Assessment Test (FCAT) scores were missing from the LEP folder. CELLA is a new assessment that is being used to measure the growth of students classified as English Language Learners (ELL's) in mastering the skills in English. It provides information about the language proficiency levels of individual students that can be used in making decisions regarding placement into, or exit from English for Speakers of Other Languages (ESOL) programs. The FCAT has been part of Florida's overall plan to increase student achievement. It is administered to students in grades 3-11 and consisted of criterion-referenced assessments measuring selected benchmarks in mathematics, reading, science, and writing Sunshine State Standards.

Management Response:

To ensure the accuracy of all LEP documentation, a sequence of procedures has been implemented at the school site upon registering and/or testing students that are identified as ESOL.

If the student is arriving from another Miami-Dade County Public School, the Registrar will check ISIS to determine that the student is an active ESOL student; the Registrar will contact the sending school and request the LEP folder immediately. When the LEP folder is received, the folder will be forwarded to the ESOL Chairperson for a comprehensive review. The Principal will be notified, in writing, of any missing and/or non-compliance documents. Missing documents will be formally requested, via email to the sending school's Principal.

The Home Language Survey will be completed for new entries and screened for possible ESOL testing. The Registrar and the Assistant Principal will verify that the survey has been completed, dated and signed. This information will be communicated to the Principal.

Students, who are new to the system, will be tested by the ESOL teacher and those that are determined to be ESOL, the teacher will complete all necessary paperwork. A LEP checklist will be utilized by the ESOL Teachers, Registrar and Administration to ensure all steps are followed. Once the new LEP folder is completed, it will be given to the ESOL chairperson for review who will then submit it to the Assistant Principal for a final audit.

Monitoring of LEP folders will be conducted on a quarterly basis. A complete accounting of every ESOL student at the school will be conducted by the school's LEP Review Team. The LEP Review Team will consist of the Assistant Principal and three ESOL Teachers. The review team will determine if all of the LEP folders are accounted for. Appropriate measures will be used to locate all missing folders. During the review of the LEP folders, a LEP Monitoring Checklist will be used to review each record. All of the LEP folders that are out-of-compliance will be annotated and given to the ESOL chairperson to correct. Finally, the Principal and Assistant Principal will randomly select and review LEP folders. All of the randomly selected folders must meet district standards. If all of the selected folders do not meet the standard, the review team will be required to review all of the folders for errors. After the second review and correction of the folders, the Principal will direct a review of all LEP folders to ensure compliance. This process will continue until there is a zero percent error rate. At the beginning of the second semester, the Principal will request a District review of the LEP folders.

Internal Reviews will result in the satisfactory completion of all ELL/LEP student plans and Home Language Surveys. Staff will be directed to ensure that test assessment data noted in the LEP plan corresponds to data listed in the Oral language Proficiency Scale Revised (OLPS-R) test materials section.

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

Management Response:

The South Regional Center Administrative Director for Financial and Business/ Operations will solicit assistance from the Bilingual Department, to conduct mini reviews quarterly, in selected areas of the ELL Program to ensure compliance at Claude Pepper Elementary School and Gateway Environmental K-8 Learning Center. The South Regional Center Financial and Business Operations Director will review the results of the mini review with the Principals and facilitate any corrections as necessary. The South Regional Center Administrative Director will contact the Bilingual Department to work with the Principals in the preparation of the Bilingual Monitoring Form and the ELL check list. These forms will be reviewed with the principal to ensure that all ELL records comply with the established procedures.

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

Management Response:

Refer to page 105 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Gateway Environmental K-8 Center.

24. Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances *Claude Pepper Elementary School*

For the 2010-2011 school year, guidelines and procedures for maintaining English Language Learners (ELL) student information were provided through the 2010-2011 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, and the *District Plan For Services to English Language Learners.*

A review of a sample of 20 ELL student folders at this school disclosed discrepancies in 13 student files (65%). According to our calculations, the discrepancies enumerated below could have resulted in FTE funding disallowances of approximately $1,250 to the District. Although this amount represented approximately 0.37% of the total funding generated at this school, based on participation of ELL students reported during the 2010-2011 Survey Period 3[15], the high discrepancy rate disclosed by our sample reflects that appropriate staff and school administration should be paying closer attention to the preparation and maintenance of ELL student records. Details follow:

The Limited English Proficiency (LEP) Student Plan is part of the permanent student cumulative record folder and is developed by including information such as student name, instruction in appropriate programs, amount of instructional time or schedule, date of LEP identification, and assessment date used to classify or reclassify students as LEP, date of exit and assessment data used to exit student as English proficient, as well as reclassification information. All sections of the Individual ELL/LEP Student Plan [FM-4649] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

24.1. Eight individual ELL/LEP Student Plans [FM-4649] were not properly completed. Specifically, the ELL/LEP Plan was dated prior to the student's entry date into the program; was not signed and dated by the teacher; or the *Program Participation* section was not completed.

According to the guidelines, the Home Language Surveys [FM-5196] must be properly completed and filed in the ESOL Program Record folder. We found that:

[15] For fiscal year 2010-2011 Survey Period 3, the total Weighted ELL FTE funding was calculated at $335,524. Total ELL student participation was 197 students.

24.2. In two instances, the *Home Language Survey* [FM-5196] was not properly completed. The surveys were missing dates or the parent's signature.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must contain evidence that the LEP committee convened to assess progress annually. However:

24.3. In five instances, a LEP committee meeting was not completed properly or was not evident for students beyond six semesters.

RECOMMENDATION

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

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

Management Response:

In order to ensure that all LEP Folders are in compliance with District guidelines, the following plan of action will be implemented immediately when any student registers and/or is tested and identified as ESOL. If the student is a new arrival from another Miami-Dade County Public School, the registrar will check the student's "J" screen in ISIS to verify the ESOL status. If it is determined that the student is an active ESOL student, the registrar will contact the sending school and request the LEP folder. Upon receipt of the LEP folder, the folder will be submitted to the Assistant Principal for a complete review to ensure compliance with all stipulated District guidelines. The principal will be notified, in writing, by the Assistant Principal, when completed and include any missing and/or non-compliance concerns. Missing documents will be formally requested, in writing, from the sending school's principal.

Initial entries whose parent/guardian completes the Home Language Survey will be screened for possible ESOL testing. The registrar will forward all initial Home Language Surveys to the assistant principal to verify that the survey has been appropriately completed, dated and signed. Any discrepancies will immediately be brought to the attention of the principal who will notify the parent/guardian of the error.

Students who are tested by the ESOL teacher and determined to need ESOL services will be properly documented in the LEP plan by the ESOL chairperson. The ESOL chairperson will complete all documents including the appropriate signatures and forward it to the Assistant Principal for review. The assistant Principal will conduct a

complete review of each LEP folder to determine the status. Folders that do not comply with District standards will be returned to the ESOL Chairperson. The Assistant Principal will document and discuss the errors with the ESOL chairperson and request that the errors be corrected within 24 hours. Collaboratively, the Assistant Principal and ESOL chairperson will work to correct these concerns. The Assistant Principal will notify the Principal in writing of any error and include the date of the discussion with the ESOL chairperson. If the folder meets District standards, the folder will be forwarded to the Registrar for data input into ISIS. Once the Registrar inputs the data, the Registrar will file the folder in the LEP file cabinet.

Monitoring of LEP folders will be conducted on a quarterly basis. A request was made by the principal to the Division of Bilingual Education and World Languages to conduct an initial audit of the school's LEP folders on October 4, 2011. On October 5, 2011, District Supervisor, South Regional Center conducted a review of a select sampling of LEP folders. Training was provided to the ESOL chairperson and the assistant principal regarding procedures for maintaining up-to-date ESOL records to comply with state and district standards.

In addition, a complete accounting of every ESOL student at the school will be conducted by the school's LEP Review Team. The LEP Review Team will consist of the Assistant Principal, the ESOL chairperson and a teacher. The review team will determine if all the LEP folders are accounted for. Appropriate measures will be used to locate missing folders. During the review of the LEP folders, the Bilingual Programs Monitoring Form will be utilized to review each record to ensure compliance. All LEP folders found to be out of compliance will be annotated and separated. Upon completion of the initial LEP team's review, all non-compliant LEP folders will be corrected. Finally, the Principal will randomly select and review 10 percent of the LEP folders. All of the randomly selected folders must meet District standards. If all of the randomly selected folders do not meet the standard, the review team will be required to review all of the folders for errors. After the second review, and correction of the folders, the Principal will again randomly select 10 percent of the folders for review. This process will continue until there is a zero percent error rate. At the beginning of the second semester, the Principal will request a review of the LEP folders from the Division of Bilingual Education and World Languages.

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

Management Response:

The South Regional Center Administrative Director for Financial and Business/ Operations will solicit assistance from the Bilingual Department, to conduct mini reviews quarterly, in selected areas of the ELL Program to ensure compliance at Claude Pepper Elementary School and Gateway Environmental K-8 Learning Center. The South Regional Center Financial and Business Operations Director will review the results of the mini review with the Principals and facilitate any corrections as necessary. The

South Regional Center Administrative Director will contact the Bilingual Department to work with the Principals in the preparation of the Bilingual Monitoring Form and the ELL check list. These forms will be reviewed with the principal to ensure that all ELL records comply with the established procedures.

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

Management Response:

Refer to page 105 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Claude Pepper Elementary School.

TITLE I DISTRICTWIDE PROGRAM EXPENDITURS AND PROCEDURES

25. Ineffective Monitoring Of Title I Accounts Resulted In Salary and Non-Salary Accounts Under Utilization *South Dade Senior*

Schools that received Title I funds were generally those where a significant percentage of the student population originated from low-income families. The Title I Administration Office distributes Title I funds according to a formula based on student participation in the free and reduced meals program at the school sites which varies every year, depending on available funding. During the 2010-2011 fiscal year, the percentage of participation started at 57%.

The school should make every effort to plan expenditures accordingly, in a timely fashion and within established budgeted amounts. Obligations made with Title I program funds not liquidated and the corresponding disbursement not made by the grant's liquidation date cannot be re-budgeted the following year. *Similarly, resources not utilized by the end of the year cannot be recaptured for future use, as these cannot be rolled over and re-budgeted for the following year. While funds should not be spent unnecessarily as identified in Section B of the Title I Administration Handbook, good budget planning and continuous monitoring of account balances are essential to ensure that funding resources are used to their maximum intended purpose.*

For the 2010-2011 fiscal year, this school received a total of $363,090 in Title I Schoolwide program funds (Program 3638). Of this total, approximately $220,348 was budgeted for full-time payroll. The remainder or $142,742 was budgeted to cover expenditures associated with hourly faculty, hourly staff and overtime payroll, for the procurement of goods and services and for the purchase of a full-time Community Involvement Specialist position.

Our review of expenditures posted to the Schoolwide program disclosed that of the $142,742 budgeted for the various hourly and non-payroll expenditures cited above, the school only spent $53,262 (37%), thus leaving a total of $89,480 (63%) in the various Schoolwide Title I Program fund accounts unspent and unable to carry forward for the next fiscal year. Details follow:

25.1. The school budgeted $75,650 for Temporary Instructors and Hourly Employees in the Title I Schoolwide program. As of June 30, 2011, $49,100 of the total budgeted amount remained unspent. Additionally, the school had budgeted $36,451 for one Community Involvement Specialist (CIS) paraprofessional full-time position including fringe benefits. Reportedly, the

school was unable to fill the full-time CIS position. Instead, the school utilized $11,143 of this total to pay a CIS on an hourly basis; however, a budget for an hourly CIS account had not been established. At year-end the associated unspent balance totaled $25,308.

Similarly, the school had budgeted $30,641 under various structures for the procurement of goods and services. Goods and services allowed under Title I guidelines include: school supplies, field trips, printing and duplicating, travel and computer equipment, among others. However, as of June 30, $15,072 (49%) of the total budgeted amount remained unspent and unable to be rolled over to the next year's activity.

25.2. Aside from the Schoolwide funds cited above, the school received $12,103 for parental activities associated with Title I. Of this total, only $1,049 was spent as of June 30, 2011, and $11,054 (91%) remained unspent and unable to be rolled over to the next year's activity. Funds were to be used toward overtime payroll, in-country travel reimbursements and the purchase of supplies associated with parental activities.

RECOMMENDATIONS

25.1. Develop appropriate spending plans for Title I program funds in order to maximize their use and periodically monitor the spending of Title I Program funds to ensure funds are spent accordingly.

25.2. Transfer funds as needed to cover those expenditures associated with activities where initial budgets are not established at the beginning or later during the year.

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

Management Response:

To ensure that Title I program funds are maximized and spent in a timely manner, a spending plan has been developed to ensure that funds are spent accordingly.

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1) Create a spreadsheet of all accounts in order to monitor Title I Program balances for the 2011-2012 school year and meet with Administrative Director at the South Regional Center to review projected hourly expenditures.

2) A monthly routine has been implemented which requires that the principal's secretary to print out all of the Title I budgets from the SAP system on the first Monday of each month. The Principal will review the print out to ensure that all expenditures are in line with the projected Budget.

3) The Assistant Principal overseeing the Title I Program will update the spreadsheet with current balances each month.

4) The Principal will monitor the accounts within the Title I budget to ensure that all expenditures are covered and will further ensure that all allocated funds will be properly utilized and expended in a timely manner.

5) The Principal will initiate budget transfers to cover expenditures where initial budgets were not established.

6) Additional transfers will be processed to avoid the under utilization of funds as necessary.

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

Management Response:

The South Regional Center Administrative Director will request a copy of a spreadsheet, to be created by the principal, after each payroll cycle, in order to provide an additional monitoring mechanism of the Title I Hourly and Non-Salary Accounts. The Administrative Director will request monthly, a list of active employees funded through Title I. This list will be reviewed with the principal in order to accurately project expenditures for the 2011-2012 school year. Transfers will be processed as necessary. This monitoring mechanism will ensure that Title I Funds are expended in accordance with established procedures and that these accounts will not be underutilized.

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

Management Response:

Refer to page 105 of this report and page 163 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of South Dade Senior High School.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2010 and/or June 30, 2011, depending on the school audited, on the cash basis of accounting;

- evaluate compliance by the schools with the policies and procedures prescribed in the *Manual of Internal Fund Accounting;*

- provide assurances regarding compliance with *current payroll procedures*, as well as compliance with *current purchasing credit card program procedures; and certain information technology controls;*

- verify compliance by the schools with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of $1,000 or more;

- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001*, *Title I Program*, and the *Title I Administration Handbook;*

- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification; and

- determine effectiveness of controls over cashiering activity at the school's cafeteria and the safeguarding of cafeteria collections in compliance with procedures from the Department of Food and Nutrition.

While the scope of our audits generally covered operations during the period of July 1, 2009 through June 30, 2010 and/or July 1, 2010 through June 30, 2011 (depending on whether the audit scope was one or two-year audit at the individual school being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. Title I program covered the 2010-2011 fiscal year only. FTE audits covered the October 2010 or February 2011 survey periods.

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2010 and June 30, 2011 was 0.76% and 0.57%, respectively.

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

- Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- Each school administers its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- Banks for school funds must be approved by the School Board and certified by the State Treasurer
- Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- At June 30, 2010 and June 30, 2011 the MDCPS-Money Market Pool Fund's interest rate was 0.76% and 0.57%, respectively.

PAYROLL

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

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

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

PROPERTY

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

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

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

TITLE I PROGRAM

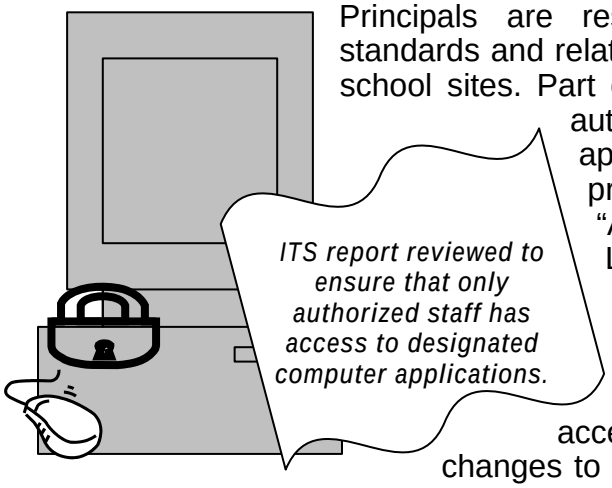
Schools implementing Title I Programs are required to meet the requirements of the *No Child Left Behind Act of 2001.* Each year, an *Economic Survey* is conducted by the District to rank schools from highest to lowest, based on the percentage of participating students from low income families, and to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

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

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

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

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY ASSESSMENT



Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. Part of their responsibility includes ensuring that only authorized staff has access to designated applications. Information Technology Services (ITS) produces a monthly report for each location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this report to determine the appropriateness of applications approved for each employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for changes to students' academic grades is limited to a specific and restricted number of authorized personnel. In addition, our school audits will selectively review information technology matters related to the proper safeguarding and location of servers and switches, software licensing documentation, proper authorization of Electronic Gradebook applications, and similar controls over data security.

FULL-TIME EQUIVALENT (FTE)

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

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

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

Schools are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2010-2011 fiscal year, months selected by the FDOE for these surveys are as follows:

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

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

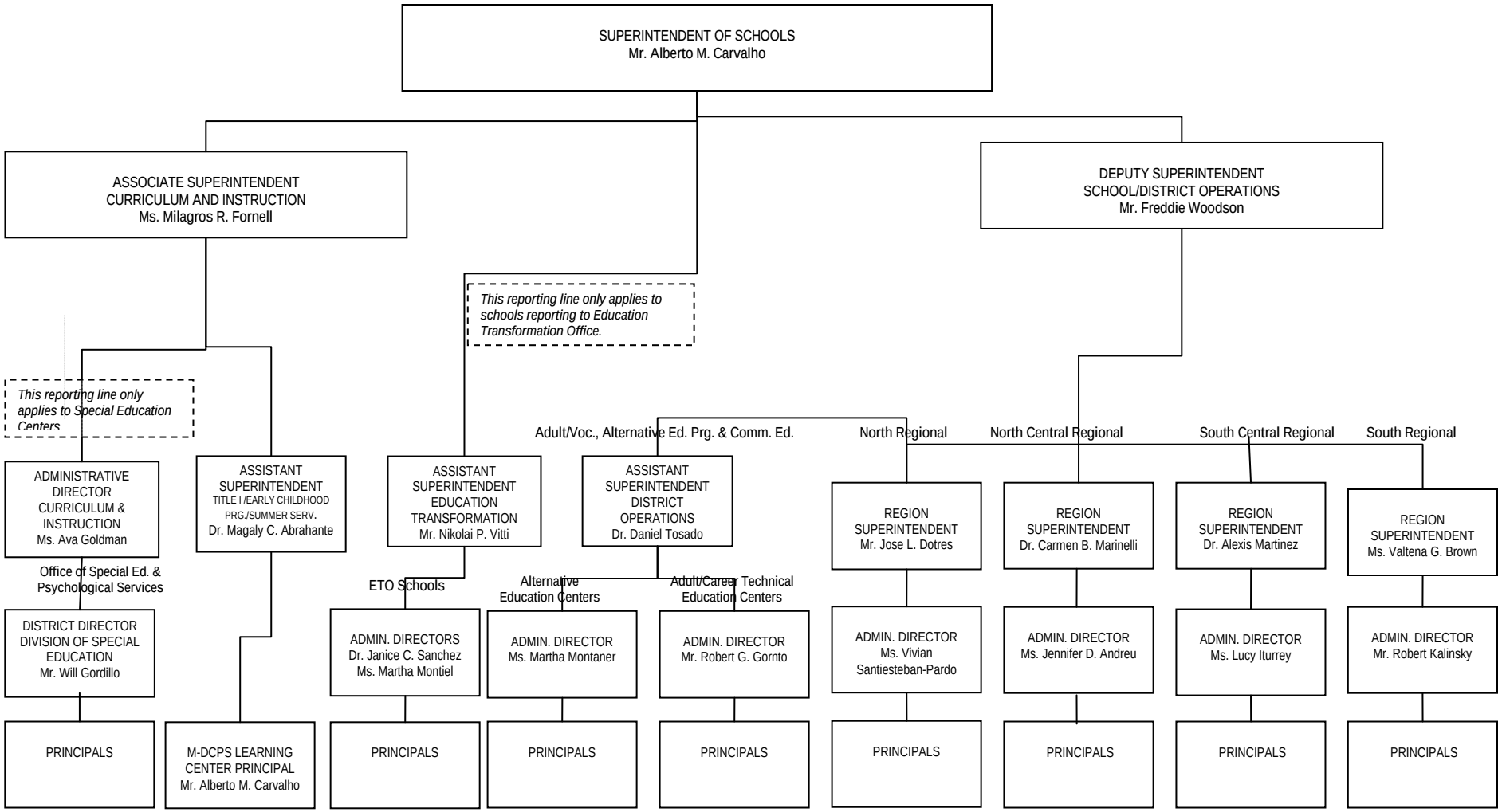
Incomplete/inaccurate student records which do not adequately support/justify funding levels may give rise to losses in funding. Similarly, teacher certification is closely linked to FTE funding and must be monitored on an ongoing basis to prevent similar losses in funding to the District. Aside from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

As of the 2007-08 fiscal year, FTE audits have been incorporated as part of the school audits routinely performed by the Office of Management and Compliance Audits. FTE audits are conducted at selected schools based on audit criteria developed by this office.

FOOD SERVICE PROGRAM

The School Board of Miami-Dade County's Department of Food and Nutrition (F&N) operates the centralized food service program at K-12 schools and centers. The *Food and Nutrition Procedures* comprises the official guidelines under which school cafeterias operate. According to these guidelines, staff working at school cafeterias operates cash registers which must be closed daily. A deposit representing the total daily cafeteria collections must be prepared and submitted daily by the Cafeteria Manager to the main office for pick-up by the armored car service. The deposits are made to a centralized bank account established by the District; and a Food Service Accounting Unit has been established in the Office of the Controller to maintain the centralized records and reports, and reconcile the centralized bank account.

PARTIAL ORGANIZATIONAL CHART (SCHOOLS)



APPENDIX
MANAGEMENT'S RESPONSES

MEMORANDUM November 7, 2011

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

FROM: Luis B. Solano, Principal
Miami Norland Senior High School

SUBJECT: **MIAMI NORLAND SENIOR HIGH SCHOOL—LOCATION 7381 AUDIT RESPONSE FOR THE 2009-10 AND 2010-11 FISCAL YEAR**

The cited audit findings for the period of June 1, 2009 through June 30, 2011, have been carefully reviewed by the Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director and Treasurer. As a result, the Principal has established an action plan comprised of explicit strategies to implement in order to prevent recurrence.

RECOMMENDATIONS

Improper Controls Over The Bookkeeping Function Led To Misappropriation Of Funds By The Former Treasurer

1.1 Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.

1.2 Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.

1.3 Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.

1.4 Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also direct the Treasurer to deposit funds in a timely manner.

1.5 Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.

1.6 Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.

1.7 Direct school staff *to deliver the unopened bank statement to the Principal/Principal's designee.*

Person(s) Responsible: **Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer**

Management Response

The Principal has thoroughly reviewed Section II, Chapter 2 Collection of Money and Chapter 3 Deposit Procedures from the Manual of Internal Fund Accounting. Copies were provided and discussed with the Vice-Principal, Assistant Principals, Secretary/Treasurer, and Activities Director.

Page 1

The Principal reviewed the following procedures with the new Secretary/Treasurer:

- District procedures as outlined in the Manual of Internal Fund Accounting for monitoring account balances, maintaining checkbook balances and adjustments to ensure accurate monthly reconciliation reports.
- Discussed the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.
- Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures.
- Direct the Treasurer to deposit funds in a timely manner.
- Direct school staff to deliver the unopened bank statement to the Principal/Principal's designee.

The Principal and Secretary/Treasurer will assess the checkbook balance on a weekly basis; periodically compare monthly bank statements with on-line information to verify authenticity and review accuracy of monthly reconciliation reports before submitting the report to the district.

The Principal, Activities Director, and Secretary/Treasurer will facilitate training on December 8, 2011, with club sponsors and coaches to address district policies and procedures for the collection of money to include the proper use of Recap of Collection Form (FM-1004) and Employee (BPI) Receipts (FM-0976). At this training we will discuss procedures with staff schoolwide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures. Signatures will be obtained from each sponsor as documentation for attending the training and receiving manual outlining procedures for collecting money.

The Principal will review the procedures for the collection of money with the entire staff during the November and December faculty meetings and again at the opening of the 2012-2011 school year.

The Principal assigned an administrator to oversee fundraising activities and theTreasurer's office and direct him to inform the administration of any discrepancies for immediate corrective action. This administrator will also review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.

The Principal will meet with the Vice-Principal and Assistant Principal over Internal Funds and School's Secretary/Treasurer to review the guidelines in securing funds awaiting deposits. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and an administrator. The Principal, Vice-Principal and Assistant Principal over Internal Funds will review the deposit packages and sign the Collection/Deposits Log (FM-7249) form before securing it in the school's vault.

The Principal will direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.

Inadequate Financial Oversight Resulted In Deficit Fund Balances And Questionable Expenditures

2.1. Given the financial condition of the school, spending should be curtailed by ensuring that only those expenditures critical to the operation of the school are approved. Also, consideration should be given to devising a plan for raising funds to eliminate deficit account balances.

2.2. Review accounts in Classes and Clubs associated with sports to determine whether available funds can assist with part of the Athletic Fund deficit. Similarly, any funds in accounts with little or no activity not earmarked for any particular purpose should be transferred to the General Fund to assist with the deficit balance. Finally, determine whether available funds in the Special Purpose account can be transferred back to the General Fund or the Athletic Fund.

2.3. Strengthen the management of the internal funds of the school by *periodically reviewing accounts and fund balances* and adjusting spending plans, accordingly. This should include plans for the proper utilization of vending commissions, donations, profits from fundraising activities and fees collected from students.

2.4. Prior to approving any expenditure ensure that accounts have available funds, and that the expenditure is not only allowable but comports to the intent of the monies collected/available in the account.

2.5. Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.

2.6. Discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances.

2.7. Obtain region approval before renting any vehicles.

Person(s) Responsible: Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer

Management Response

A meeting was conducted on November 7, 2011 with the Vice-Principal, Assistant Principal over Internal Funds, School's Secretary/Treasurer, Activities Director, Athletic Director, and Athletic Business Manager to advise of the financial condition of the school and the need for spending to be curtailed by ensuring that only those expenditures critical to the operation of the school are approved. At this meeting a plan was shared for raising funds to eliminate deficit account balances.

At our November 2011 Activities and Club sponsors meeting we will discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances. We will also advise staff of the need to obtain region approval through memoranda before renting any vehicles.

A review of accounts in Classes and Clubs associated with sports to determine whether available funds can assist with part of the Athletic Fund deficit will be conducted on November 14, 2011. Funds in accounts with little or no activity not earmarked for any particular purpose will be transferred to the General Fund to assist with the deficit balance. It will then be determined whether available funds in the Special Purpose account can be transferred back to the General Fund or the Athletic Fund.

Effective immediately, the internal funds function of the school will be strengthened by conducting bi-weekly *reviews of accounts and fund balances* and adjusting spending plans, accordingly. This review process will include plans for the proper utilization of vending commissions, donations, profits from fundraising activities and fees collected from students.

Effective immediately a system will be instituted to ensure that accounts have available funds prior to the submission and approval of funds requests, and that the expenditures are not only allowable but comport to the intent of the monies collected/available in the account.

Effective immediately a system will be instituted to assure adherence to award cost thresholds established by the School Board and obtain all necessary approvals. Prior to purchasing, all award requests will be approved by the Principal.

Deposits and Disbursements Not Compliant With Documentation Guidelines

3.1. The Principal should continue utilization of the Collections/Deposits Log [FM-7249] and periodically review with the Treasurer to ensure it is utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) awaiting pick-up at the school.

3.2. Discuss the disbursements procedures with the staff to make them aware of the need for the disbursement documentation requirements and the timely payment of expenditures.

3.3. Strengthen the monitoring over the disbursement function.

3.4. Monitor the Fund 9 account to ensure it is timely replenished.

Person(s) Responsible: Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer

Management Response

The Principal will continue to use the Collections/Deposits Log [FM-7249] and periodically review with the Treasurer to ensure it is utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) awaiting pick-up at the school.

Effective immediately, the Principal will discuss the disbursements procedures with the staff in order to make them aware of the need for proper disbursement documentation requirements and the timely payment of expenditures.

The Principal assigned an administrator to oversee disbursement function and the work of the Treasurer and direct him to inform administration of any discrepancies related to the disbursement function for immediate corrective action. This administrator will also review the disbursement function activities periodically to ensure that collections are properly documented.

The Principal assigned an administrator to monitor the Fund 9 account to ensure it is timely replenished and the work of the Treasurer as it relates to this function. All parties have been directed by the Principal to inform administration of any discrepancies related to the disbursement function for immediate corrective action. This administrator will review all Fund 9 account activities periodically to ensure that all transactions are properly documented.

Yearbook Sales Not Sufficient To Cover Yearbook Costs

4.1 In the event a yearbook activity is conducted in 2011-2012, the administration should closely monitor this activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses, and that Monthly Operating Reports are prepared in a timely manner.

Person(s) Responsible: Principal, Vice Principal, Assistant Principal over Internal Funds, Activities Director, and Treasurer

Management Response

The Principal will closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner. Supportive of this effort we have adopted a "memory book" concept that only cost $35.00 in lieu of $75 to $100 per yearbook.

Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential FTE Funding Disallowances

5. 1 To reduce the probability of losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.

Person(s) Responsible: Principal, Vice Principal, Assistant Principal over ESOL, Activities Director, and Treasurer

Management Response

To reduce the probability of losses in funding and other non-compliance issues regarding ESOL criteria, the Principal and the Assistant Principal over ESOL will review on a quarterly basis all ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS in a timely manner.

The Principal reviewed the following with the Assistant Principal over ESOL:

- Directed the Assistant Principal over ESOL to conduct an ESOL Program Record compliance immediately and to inform the Principal of any discrepancies. All noted deficiencies were addressed immediately upon their finding.
- Discussed ESOL Program Record compliance procedures with the Assistant Principal over ESOL to ensure understanding of the expectations of the Federal, State, and District authorities.
- A work plan was developed that addresses the manner by which ESOL Program Records will be maintained and updated to ensure that the information is accurate and that all pertinent forms are completed and filed in the appropriate folders immediately after the information is entered into ISIS in a timely manner.

cc: Ms. Martha Montiel
Maria T. Gonzalez

MEMORANDUM **November 7, 2011**

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

FROM: Mr. Wallace Aristide, Principal
Miami Northwestern Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI NORTHWESTERN SENIOR HIGH SCHOOL**

The following is in response to findings in the school audit report of Miami Northwestern Senior High School. A management plan has been developed to address the recommendations listed below.

FINDINGS AND RECOMMENDATIONS

1. Inadequate Controls Over Disbursements

RECOMMENDATIONS

1.1. Review the disbursement procedures with staff to ensure a proper understanding of the requirements and expectations.

1.2. Ensure that there are sufficient uncommitted funds available before approving/making purchases and ensure that staff obtains approval prior to making any disbursements. Direct the Treasurer and clerk in charge of P-Card disbursements to inform the administration of available balances prior to requesting authorization to spend any funds. This should also include not approving P-Card disbursements unless funds are available and the authorization form is signed prior to the school processing any such disbursements.

1.3. Improve controls over the tracking, safeguarding and utilization of mobile equipment such as IPADS and kindles, purchased with school funds, which are issued to school administration and staff for school use.

1.4. Replenish the Fund 9 account in a timely manner and verify the availability of District funds before approving additional purchases.

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

Management Response

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section II, Chapters 4 and 5 and Section IV, Chapter 12 of the Manual of Internal Fund Accounting in order to ensure full compliance with: disbursement procedures and identified aspects of fiscal management that must be properly maintained in accordance with the guidelines. The Principal reviewed a comprehensive plan that outlined procedures which included the requirement of pre-completion and prior Principal approval of purchases utilizing the Purchase Order Form, check requisitions and ancillary forms with required signatures, and the establishment and implementation of procedures for disbursement of payment within 30 days.

The Principal developed school-site Internal Funds procedures with the Education Transformation Office (ETO) Administrative Director, the Region Business Manager, the Vice Principal, and

Treasurer to established processes to be followed by all staff members. At a Faculty/Staff meeting held in November 2011, the Principal outlined the procedures with the Faculty and Staff that included review of specific Internal Funds documents that included but was not limited to the utilization of Purchase Order Forms that must submitted to the Vice Principal in order to verify that the item is an allowable purchase and to ensure sufficient funds are available prior to final signature approval by the Principal. Personnel were informed that all items purchased without prior approval will not be reimbursed by the school.

In November 2011, the ETO Administrative Director, Region Business Manager, Principal, Vice Principal, Treasurer, and Activities Director conducted a mandatory training for all Class/Club Sponsors and Booster Clubs to review pertinent sections of the Manual of Internal Fund Accounting and acquired signatures on a document indicating receipt of school-site procedures. The Treasurer was directed to maintain an accurate account of monies collected and deposited. The Treasurer will review this information and bills received on a weekly basis with the Vice Principal prior to making disbursements to ensure accuracy. The Principal will randomly review account balances to verify all documents are properly executed, payment is in a timely manner, and to ensure that record keeping procedures are intact, organized and dealt with in a timely manner with regards to paying of bills. The Principal directed the Treasurer to monitor funds to ensure availability for replenishment of Fund 9 at various times of the year and at the close of the school year.

The Principal established procedures to improve controls over the tracking, safeguarding and utilization of mobile equipment by developing an in-house property control document for these items to be checked at various times of the school year.

2. Inadequate Controls Over Yearbook Sales

RECOMMENDATIONS

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

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

Person(s) Responsible: Principal, Vice Principal, Treasurer, and Yearbook Sponsor

Management Response

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section IV, Chapter 6 of the Manual of Internal Fund Accounting in order to ensure full compliance with: Bid Tabulation, Committee Appraisal-Yearbook Printing, Monthly Operating Reports and Distribution Report.

The Yearbook Sponsor was directed to obtain a receipt from the Treasurer when turning in monies from sales and to meet periodically with the Treasurer to review monies posted to and disbursed from club accounts. The Yearbook Sponsor was directed to submit monthly operating statements for sold, unsold and ad sales. This process will be monitored on a bi-weekly basis by the Vice Principal and randomly monitored by the Principal throughout the school year.

The Treasurer and Yearbook Sponsor were directed to complete distribution logs. The Treasurer was directed to locate and store all yearbooks in a secure location for monitoring of distribution and maintaining any remaining books for audit purposes. The Yearbook Sponsor will only receive the pre-sold yearbooks as well as submit signed documentation upon receipt. The Treasurer will retain the remainder of the books as well as complete the form for left over merchandise. The Yearbook Sponsor was directed to complete and submit signed documentation for complimentary

yearbooks. This will be randomly monitored by the Vice Principal on a bi-weekly basis and the Principal on monthly basis.

3. **Inadequate Controls Over The Accounting and Inventory of Physical Education Uniforms**

RECOMMENDATIONS

3.1. Discuss the procedures with staff and implement controls over the sale of P.E. Uniforms, including the preparation, review, and filing of Operating Reports.

3.2. Ensure that formal quotes are obtained for purchases of $1,000 or more. For the 2011-2012 fiscal year, in order to comply with district policy, one of the quotes should be from a minority vendor.

3.3. Adjust sales prices to comport with district policy.

3.4. Ensure that inventory of uniforms is secured in a more controlled environment and that perpetual inventory counts are accurate.

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

Management Response

The Principal met with the Vice Principal and Treasurer to discuss audit findings and Section II, Chapter 5 of the Manual of Internal Fund Accounting in order to ensure full compliance with established procedures that mandate that fees charged to students are referenced on the Special Fees and Charges School Request Form that is submitted to the Region for approval, sales price of uniforms are as close to cost as possible, inclusive of sales tax and any shipping and handling charges.

The Principal directed the Treasurer to issue a receipt for each P.E. uniform sold. The Principal directed the Physical Education teachers to send students five at a time to the Treasurer's Office in order to purchase and receive uniforms.

The Treasurer was directed to maintain accurate receipt logs for all uniform sales. The Treasurer was directed to inventory and store in a secure location all P.E. uniform merchandise for audit purposes. The Treasurer will retain the remainder of the uniforms as well as complete the form for left over merchandise. The Treasurer was directed to complete and submit signed documentation for any complimentary uniforms to the Vice Principal for review with the Principal.

The Treasurer was directed by the Principal to secure three quotes for purchases of $1,000 or more and to establish with the Principal the cost to ensure the amount is in compliance with the parameters established in the Manual of Internal Fund Accounting. Monies collected from uniform sales will be utilized to purchase additional uniforms for the upcoming school year. Additionally, the Treasurer was advised to provide a copy of the monthly report. This process will be monitored by the Vice Principal on a bi-monthly basis and the Principal at the close of the month to ensure on-going compliance.

4. **Inadequate Documenting and Recording of Payroll Resulted in Discrepancies**

RECOMMENDATIONS

4.1. Review payroll procedures with school staff and administration, particularly as they relate to payroll reporting, recordkeeping, and the preparation of leave cards to ensure understanding and awareness of the procedures.

4.2. Strengthen the overall review of the payroll process and all payroll records to ensure that documentation supports the payroll reported.

Person(s) Responsible: Principal, Assistant Principal, Payroll Clerk and Back-Up Payroll Clerk

Management Response

As a newly assigned Principal, in order to ensure proper procedures were established, the Principal met with the Assistant Principal in charge of payroll, the Payroll Clerk, and Back-Up to review the Payroll Processing Procedures Manual and Payroll Highlights to ensure the implementation of a sound system for documenting, recording, and reporting the payroll.

In November 2011 the Principal conducted a Faculty and Staff meeting and reviewed the newly written school site procedures for signing in and out on a daily basis. Procedures were provided in writing and signature of acknowledgement from all staff was acquired and is on file. In the new procedures, the Payroll Clerk and the Assistant Principal must verify on a daily basis that employees present for the day have indicated presence and the appropriate codes have been inserted (e.g., S – Sick, P- Personal) for individuals not present for the day. The Payroll Clerk must complete the corresponding Leave Card on a daily basis and the Assistant Principal verify the accuracy of the information. The Assistant Principal monitors the acquisition of the signature from the appropriate staff member. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The hourly payroll is manually calculated utilizing a calculator and the running tape is provided to the Assistant Principal at the time of payroll submission. The Assistant Principal will review the Working Roster and outline any discrepancies with the Principal. Prior to the on-line approval of the payroll, the Principal will review the Final Roster and all corresponding documents for final completion and accuracy.

Going forward, as a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty and staff. Emphasis will be placed on the required payroll procedures for all personnel. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be acquired and maintained on file.

If any further corrective actions or additional strategies are necessary, please contact me at Miami Northwestern Senior High School at 305-836-0991 ext. 2230.

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

MEMORANDUM **November 7, 2011**

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

FROM: Dr. David K. Moore, Principal
Miami Southridge Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI SOUTHRIDGE SENIOR HIGH SCHOOL**

The following is in response to findings in the school audit report of Miami Southridge Senior High School. A management plan has been developed to address the recommendations listed below.

FINDINGS AND RECOMMENDATIONS

Inadequate Recordkeeping, Documenting, and Reporting Of Payroll

RECOMMENDATIONS

1.1 Review with Cafeteria Staff the sign in/out payroll procedures and the proper documentation of payroll hours.

1.2 Direct the Cafeteria Manager and the Payroll Clerk to maintain the original sign-in/out attendance rosters on file to properly support the payroll reported.

1.3 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.

1.4 Periodically review the sign in sheets of Cafeteria staff to ensure that employees are signing in/out in a timely manner.

Person(s) Responsible: Principal, Vice Principal, Cafeteria Manager, and Payroll Clerk

Management Response:

In order to ensure proper procedures are followed, the Principal met with the Cafeteria Manager, Payroll Clerk and Vice Principal to review the Payroll Processing Procedures Manual and Payroll Highlights to establish a sound system for documenting, recording, and reporting of payroll.

The Principal met with the Cafeteria Manager and cafeteria hourly employees and reviewed the proper sign in/out procedures emphasizing that employees need to sign-in/out in their own hand writing. During the meeting, payroll reporting procedures were provided in writing and a signature of acknowledgement form from the Cafeteria employees were obtained and are on file. The Principal has re-located the sign-in sheet to the Main Office area and is periodically reviewing for compliance. From this point forward, the initial calculation will occur by the Payroll Clerk with final review and tabulation by the Vice Principal prior to approval by the Principal.

The Principal met with the Vice Principal and Payroll Clerk and instructed them to maintain on file the original hourly sign-in/out attendance rosters to properly support the payroll reported.

Year-End Athletic Ticket Inventory Not Prepared at Year-End and Errors in Football Ticket Deposits

RECOMMENDATIONS

2.1 Review with staff from the Athletic Department those procedures regarding the preparation of the athletic inventory, the reconciliation of ticket sales, and the preparation of deposits.

2.2 Periodically meet with the Athletic Business Manager and the Treasurer to review the Athletic Fund activity, the games reports, and the associated deposits.

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

Management Response:

Prior to the audit, the Principal replaced the Athletic Business Manager due to inconsistent job performance.

The Principal met with the Athletic Director and new Athletic Business Manager regarding the correct procedures that must be followed for the preparation of the athletic inventory, the reconciliation of ticket sales, and the preparation of deposits.

To ensure that proper procedures are followed, the Athletic Department has visited to review best practices with an Athletic Business Manager from alternate High School. Ongoing cross-school visitations will occur throughout the school year to establish sound practices and school-site processes to ensure non-reoccurrence.

Going forward, the Vice Principal will monitor the ticket sales and the preparation of the deposits for the home football games. Additionally, the Principal will meet with the Treasurer and the Athletic Business Manager to review all game reports and Athletic Fund activities in a timely manner.

If any further corrective actions or additional strategies are necessary, please contact me at Miami Southridge Senior High School at 305-238-6110.

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

MEMORANDUM

November 7, 2011
MAL/2011-12 #008

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

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

SUBJECT: **NORTH MIAMI SENIOR HIGH SCHOOL-LOCATION 7591 AUDIT RESPONSE FOR THE 2011-2012 FISCAL YEAR**

The cited audit findings for the period of July 1, 2009 through June 30, 2011, have been carefully reviewed by the Principal, Assistant Principals, and Treasurer. As a result, the Principal has established an action plan comprised of explicit strategies to implement in order to prevent recurrence.

RECOMMENDATIONS

Inadequate Controls Over Receipts And Deposits

1.1 Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
1.2 Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and properly recorded.
1.3 Ensure that the Collections/Deposits Log (FM-7249) is consistently utilized to document those packages awaiting the armored car pickup service.
1.4 Ensure that collections from outstanding student fees, fines and lost textbooks are properly documented and maintain source documentation.

Person(s) Responsible: Principal, Vice-Principal, Assistant Principals, and Treasurer

Management Response:

The Principal has thoroughly reviewed Section II, Chapter 3 of the ***Manual of Internal Fund Accounting*** which establishes the guidelines for receipting collections and documenting deposits associated with internal funds activities. Copies were provided and discussed with all Assistant Principals, Treasurer and Activities Director.

The Principal met with the Administrative Team, School Treasurer and reviewed Section II, Chapter 3 of the ***Manual of Internal Fund Accounting*** which establishes the guidelines for receipting collections and documenting deposits associated with internal funds activities.

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The Principal will meet with the Vice-Principal and Assistant Principal over Internal Funds and School's Secretary/Treasurer to review the guidelines in securing funds awaiting deposits. Collections awaiting Brinks pickup will be logged in and out on Collection/Deposits Log (FM-7249) form by the Secretary/Treasurer and an administrator.

The principal will meet with the School Treasurer on a weekly basis to review established procedures on collections from outstanding students' fees, fines and lost textbooks to ensure that they are properly documented and maintained.

The Principal and Vice-Principal will conduct mini-reviews on a quarterly basis to ensure that accounts are compliant with Internal Funds Policies.

Inadequate Controls Over Disbursements

2.1 Discuss disbursement procedures with staff for understanding and awareness of requirements.

2.2 Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, posting of charges to the appropriate accounts and the completeness of the documentation.

2.3 Strengthen the safeguarding of property that belongs to the school.

2.4 Maintain control over expenditures to prevent overspending and immediately discontinue the practice of inappropriately modifying the posting of transactions between accounts as described above.

Person(s) Responsible: Principal, Vice-Principal, Assistant Principals, and Treasurer

Management Response:

The Principal met with the Administrative Team, School Treasurer and reviewed Chapters 4 and 5 of the ***Manual of Internal Fund Accounting.***

The Principal and Assistant Principal met with the School Treasurer to establish and implement a set of procedures to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances.

The Principal and Administrative Team will ensure that all property that belongs to the school is collected upon employee leaving worksite.

The Principal will meet with the School Treasurer on a weekly basis to review all expenditures to prevent overspending and will immediately discontinue the practice of inappropriately modifying the posting of transactions between accounts.

School-Sponsored Activities Non-Compliant With Guidelines

3.1 Strengthen the review over fundraising activities, including the preparation, review and filing of Students Activity Operating Reports, Inventory and Operating Statements, and Fundraising Activity Log.

3.2 Review the procedures with sponsors to ensure awareness and compliance of the requirements; and consider the number of activities conducted at a given time by a sponsor.

Person(s) Responsible: Principal, Vice-Principal, Assistant Principals, and Treasurer

Management Response:

The Principal held a meeting with the school's Treasurer, Activities Director, and Club/Activity Sponsors to review procedures outlined in Section IV, Chapter 2 of the ***Manual of Internal Fund Accounting*** related to fundraising, supporting documentation, reporting procedures, and completing the Student Activity Operating Report (FM-0996) and Activity Log (FM-6672). In order to avoid future audit exceptions, the principal will meet with the Secretary/Treasurer monthly to review activities and ensure guidelines are followed.

The Principal met with all Club and Activity Sponsors and reviewed the Internal Accounting Procedures relating to fundraising, collection of monies and the completion of required reports. The school's Treasurer will provide a calendar of all fundraising activities and the Principal will monitor the implementation.

The Principal and school's Treasurer will ensure that staff members/sponsors are informed of accounting procedures related to activities involving the use of tickets. Guidelines outlined from Section IV, Chapter 2 of the ***Manual of Internal Fund Accounting*** were discussed during team meetings, particularly the use of the Ticket Distribution Log (FM-*0990)* and the *Use of Complimentary List Form* and donated tickets.

Yearbook Activity Not In Compliance

4.1 Order yearbooks in quantities which are commensurate with student demand.

4.2 Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.

Person(s) Responsible: Principal, Vice-Principal, Assistant Principals, and Treasurer

Management Response:

The Principal met with the Administrative Team, Yearbook Sponsor, School Treasurer, Activity Director and reviewed Section VI, Chapter 6 of the Manual of Internal Fund Accounting. As a

result of the meeting, the Principal decided to discontinue/eliminate the purchase of Yearbooks.

It is expected that after implementation of the above mentioned recommendations, future audit exceptions will be avoided. If additional information is required, please contact me directly at (305) 891-6590. Thank you in advance.

CC: Ms. Martha Montiel
Ms. Maria T. Gonzalez

MEMORANDUM **November 7, 2011**

TO: Mr. Jose Dotres, Region Superintendent
North Regional Center

FROM: Maria G. Zabala, Principal
Fienberg-Fisher K-8 Center

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR FIENBERG-FISHER K-8 CENTER 0761**

The following is a response to the findings in the Fienberg-Fisher K-8 Center Audit Report for the 2010-2011 Fiscal Year. The audit findings have been carefully reviewed by the principal and, as a result, the following corrective actions have been established to prevent recurrence.

FINDINGS

1. Inadequate controls over the group pictures activity resulted in losses.

RECOMMENDATIONS

Discuss with staff the proper procedure for conducting the school pictures activity and direct staff to bring to your attention any discrepancies with the activity for immediate corrective action.

1.1 Implement a process of periodically reviewing internal funds transactions to ensure that all transactions have been processed and there are no delays in the posting of such transactions.

1.2 Implement the utilization of sub-ledgers to segregate the financial activity of individual student pictures and group pictures.

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

Management Response:

- The principal, assistant principal and secretary/treasurer reviewed Section IV, Chapter 4 of the *Manual of Internal Funds Accounting* which establishes the procedures for calculating payments to the photographer.
- The principal, assistant principal and secretary/treasurer set up a system for collection and disbursement of picture monies.
- The three picture bids will be gathered and presented to the principal for selection, signature and scheduling of dates for individual and group pictures. The secretary/treasurer will receive all parent information flyers and present to the assistant principal before distribution. Given a time table, the secretary/treasurer will distribute to each homeroom teacher and begin collection of payment.
- Once picture monies are collected and receipted, the secretary/treasurer will report directly to the principal the daily account input activity, which will be monitored by the principal on a daily basis. The secretary/treasurer will keep money collected for individual pictures separate from that collected for group pictures through the implementation of sub ledgers.
- The secretary/treasurer, under the supervision of the assistant principal, will count, distribute and receive signature for all complimentary pictures. All left over complimentary pictures will be filed with the picture information for the school year.
- The secretary/treasurer, under the supervision of the principal, will ensure each picture receipt package includes the recap, computer generated deposit information sheet, and computer generated receipt and bank receipt.

- The secretary/treasurer will share purchase of pictures invoice from the vendor with the principal and payment will be made within two weeks of receipt.
- The principal/assistant principal will implement the use of a school-site calendar to track all activities and events.

FINDINGS

2. Inadequate Controls Over Disbursements

RECOMMENDATIONS

2.1 Review the disbursement function with staff to create awareness and understanding of the requirements and expectations.

2.2 Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.

2.3 Strengthen review over the Fund 9 reconciliation to ensure the timely replenishment of this account

Persons Responsible: Principal, Assistant Principal, Secretary/Treasurer

MANAGEMENT RESPONSE:

- The principal, assistant principal and secretary/treasurer reviewed Section IV and V of the *Manual of Internal Funds Accounting* which require that disbursements made with checks issued from the school's checking account have proper documentation in the form of an original invoice itemizing the items purchased or the services rendered.
- The principal, assistant principal and secretary/treasurer reviewed Section III, Chapter 9 of the *Manual of Internal Accounting*, which delineates the proper method of reporting expenditure from Fund 9 to the District.
- The principal advised the secretary/treasurer, faculty and staff that all purchase requests must be presented directly to the principal for pre-approval via FM 1012 prior to purchases being made.
- The secretary/treasurer will write checks on a designated day each week and present the following required documentation before the principal signs a check: check requisition, receipt or invoice, and a screen shot of available funds in the account from which the invoice will be paid.
- The secretary/treasurer will keep a log of all purchases to include the purchase order number, requisition amount, vendor, date received online, check number and date paid to track the status of the purchase order.
- The secretary/treasurer will present the fund 9 reconciliation to the principal monthly and before June 30th of each year.

For further information regarding this response, please contact, Ms. Maria G. Zabala, Principal of Fienberg Fisher K-8 Center at 305-531-0419.

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Vivian M. Santiesteban-Pardo

MEMORANDUM November 7, 2011

TO: Mr. Jose L. Dotres, Region Superintendent
North Regional Center

FROM: Anna M. Hernandez, Principal
M.A. Milam K-8 Center

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR M.A. MILAM K-8 CENTER 3421

Please find below a response to the findings reported in the School Audit Report of M.A. Milam K-8 Center for the 2009-2010 and 2010-2011 fiscal years. The audit finding has been carefully reviewed by the principal; as a result, the principal has implemented the following corrective actions to prevent the recurrence of similar incidents. The school's administration will ensure that strict compliance is maintained in relation to School Board policies and procedures.

FINDING

1. Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential Full-Time Equivalent (FTE) Funding Disallowances

RECOMMENDATION

1. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that all pertinent forms are properly signed.

Responsible Person(s): Principal, Assistant Principal, ESOL Department Chairperson, Registrar

Management Response:

- The principal, assistant principal, ESOL department chairperson, and registrar reviewed the requirements delineated in the District Plan for Services to English Language Learners and the information and reminders provided by the Division of Bilingual Education and World Languages to ensure strict adherence to the established procedures for the maintenance of ELL student records.
- The principal met with the assistant principal, ESOL department chairperson, and registrar and implemented procedures to review all incoming and existing ELL student records for required signatures.
- The principal established a procedure to conduct quarterly in-house reviews of ELL cumulative folders to ensure compliance with all established requirements. The assistant principal and ESOL department chairperson will utilize the Bilingual

Program Monitoring Form provided by the Division of Bilingual Education and World Languages and comply with all outlined requirements.

- The principal instructed the ESOL department chairperson to provide training to all ESOL teachers in relation to maintaining student records and completing properly all documents in the Limited English Proficient (LEP) folders, with particular emphasis on the Individual Student ELL/LEP Plan – Elementary [FM-4649] and Individual Student ELL/LEP Plan – Secondary [FM-4650].
- Through careful planning and monitoring, the administration of M.A. Milam K-8 Center will ensure that all employees adhere to all of the policies and procedures established for maintaining ELL student records.

For further information regarding this response, please contact, Ms. Anna Hernandez, Principal of M.A. Milam K-8 Center at 305-822-0301

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Vivian M. Santiesteban-Pardo

MEMORANDUM November 7, 2011

TO: Mr. Jose L. Dotres, Region Superintendent
North Regional Center

FROM: John Messersmith, Principal
North Hialeah Elementary

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT FOR NORTH HIALEAH ELEMENTARY SCHOOL 3901

The following is a response to the findings reported on a two year Audit Report for the 2009-2011 Fiscal Years. The audit findings have been carefully reviewed by the principal and, as a result, the principal has implemented the following corrective actions to prevent the recurrence of similar issues. This will ensure that strict compliance is maintained in relation to School Board policies and procedures.

FINDINGS

1. Purchasing function not properly planned resulted in questionable disbursement practices.

RECOMMENDATIONS

1.1 Discontinue the wholesale club membership since the level of school activities does not warrant such expense.
1.2 Plan disbursements accordingly to ensure that funds are available prior to authorizing purchases.
1.3 Curtail hospitality expenses and consider transferring profits from the General Fund- school pictures account to the Special Purpose account at 50 percent or less to allow for the General Fund accumulate revenues for future use.

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

Management Response:

- The Principal made personnel changes and has a new Secretary/ Treasurer in place.
- The Principal obtained assistance from the Internal Funds Business Manager with the training of the new Secretary/Treasurer who has been actively involved by reviewing procedures and providing organizational assistance.

- The Principal met with the Secretary/Treasurer and the Assistant Principal to review procedures delineated in Section II Chapter 5 of the *Manual of Internal Fund Accounting* regarding reimbursement requests from faculty/staff; and Section III Chapter 9 of the *Manual of Internal Fund Accounting* which delineates the procedures for processing disbursements using Instructional Materials and Educational Support Fund 9 Program.
- The Principal has discontinued the wholesale club membership and no other wholesale club memberships will be purchased with school funds.
- The Principal has implemented a systematic plan in which he will meet and review all expenditures with the Secretary/Treasurer to ensure that the account balance of the account being charged has available funds.
- Prior to purchases being made, FM1012, "Internal Funds Purchase Order", will be presented to the Principal and approved prior to proceeding. This form delineates the account structures to be used and the purchase amount. The "Available Funds by Object Screen", found in *MSAF*, will be printed and attached to the form to ensure available funds.
- All purchases will be recorded in the"Shopping Cart-Requisition-Purchase Order Log" found in the *North Region Budget and Internal Funds Procedures* Manual. This log will be reviewed by the Principal or Assistant Principal each time a purchase is made and used to track the status of purchases. This procedure will be used for all purchases including Fund 9, Special Purpose and General Accounts.
- The Principal will curtail hospitality expenses and use the standard 50% of the picture profits for use in the Special Purpose Account to allow General Funds to accumulate revenues.

For further information regarding this response, please contact, Mr. John Messersmith, Principal of North Hialeah Elementary School at 305-681-4611.

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Vivian M. Santiesteban-Pardo

MEMORANDUM November 7, 2011

TO: Mr. Jose L. Dotres, Region Superintendent
North Regional Center

FROM: Dawn M. Baglos, Principal
Dr. Michael M. Krop Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR DR. MICHAEL M. KROP SENIOR HIGH SCHOOL 7141**

The following is a response to the findings in the Audit Report for Dr. Michael M. Krop Senior High School for school years 2010-1011 and 2011-2012. The audit findings have been carefully reviewed by the principal. As a result, the principal has implemented the following corrective measures in order to prevent the recurrence of similar conditions and ensure strict compliance is maintained with Board policies and procedures.

FINDINGS

1. Improper Procedures For the Disposal of Property Resulted In The Reporting Of "Un-located" Property

RECOMMENDATIONS

1.1 Ensure that staff and administration, particularly those in charge of property management, understand and are fully aware of the procedures for accounting and disposing of property; and strengthen management control over property items at the school.

1.2 The school should return to the district those funds received from the equipment sale as restitution for the "un-located" equipment.

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

Management Response:

- The Principal, Assistant Principal who oversees property, and the secretary who maintains the property listing, have reviewed Section 4 of the *Manual of Property Control Procedures* regarding the procedures for recording and managing property as well as for the disposition of property.
- The Principal developed a systematic process for accounting for and disposing of property.
- Property inventory will be maintained through an online database. Movement of any pieces of property will be monitored through the Assistant Principal who oversees property. Updating of the database will be completed by the secretary for property.
- Quarterly in-house property reviews will be conducted to ensure the identification of all property control items and their locations.
- Unaccounted for items will result in an in-house inquiry throughout the building to locate the item in question.
- If the item cannot be located, the procedures for filing a plant security report will be implemented and the region will be notified.
- Property that needs to be disposed of will be moved to one central location with an "Outgoing Controlled Equipment Form" completed by the Assistant Principal. Property shall then be assigned to Stores and Mail Distribution warehouse, which will be the sole processor of disposal.
- The Assistant Principal who oversees property will submit the Outgoing Control Form to the Principal for review and signature. A copy will be provided to the secretary to update the property listing.

- The Assistant Principal in conjunction with the Principal will maintain all documentation.
- The Principal met with the school's staff and reviewed the aforementioned procedures for property control, the procedures for the disposition of property, and the guidelines for the recycling program outlined in briefing #9750.
- The Principal met with the Treasurer to return to the District the funds received from the equipment sale as restitution for the property in question. Check number #022218 in the amount of $356.82 was submitted to The School Board of Miami Dade County.

For further information regarding this response, please contact, Ms. Dawn M. Baglos, Principal of Dr. Michael M. Krop Senior High School at 305-652-6808.

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Vivian M. Santiesteban-Pardo

MEMORANDUM November 1, 2011

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Carmen G. Gutierrez, Principal
Gateway Environmental K-8 Learning Center

SUBJECT: **SCHOOL FTE AUDIT CORRECTIVE ACTION PLAN FOR GATEWAY ENVIRONMENTAL K-8 LEARNING CENTER**

RECOMMENDATION:

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

Responsible Person(s): Principal, Assistant Principal, Registrar, and ESOL Teachers

Management Response:
To ensure the accuracy of all LEP documentation, a sequence of procedures has been implemented at the school site upon registering and/or testing students that are identified as ESOL.

If the student is arriving from another Miami-Dade County Public School, the Registrar will check ISIS to determine that the student is an active ESOL student; the Registrar will contact the sending school and request the LEP folder immediately. When the LEP folder is received, the folder will be forwarded to the ESOL Chairperson for a comprehensive review. The Principal will be notified, in writing, of any missing and/or non-compliance documents. Missing documents will be formally requested, via email to the sending school's Principal.

The Home Language Survey will be completed for new entries and screened for possible ESOL testing. The Registrar and the Assistant Principal will verify that the survey has been completed, dated and signed. This information will be communicated to the Principal.

Students, who are new to the system, will be tested by the ESOL teacher and those that are determined to be ESOL, the teacher will complete all necessary paperwork. A LEP checklist will be utilized by the ESOL Teachers, Registrar and Administration to ensure all steps are followed. Once the new LEP folder is completed, it will be given to the ESOL chairperson for review who will then submit it to the Assistant Principal for a final audit.

Monitoring of LEP folders will be conducted on a quarterly basis. A complete accounting of every ESOL student at the school will be conducted by the school's LEP Review Team. The LEP Review Team will consist of the Assistant Principal and three ESOL Teachers. The review team will determine if all of the LEP folders are justified. Appropriate measures will be used to locate all missing folders. During the review of the LEP folders, a LEP Monitoring Checklist will be used to review each record. All of the LEP

folders that are out-of-compliance will be annotated and given to the ESOL chairperson to correct. Finally, the Principal and Assistant Principal will randomly select and review LEP folders. All of the randomly selected folders must meet district standards. If all of the selected folders do not meet the standard, the review team will be required to review all of the folders for errors. After the second review and correction of the folders, the Principal will direct a review of all LEP folders to ensure compliance. This process will continue until there is a zero percent error rate. At the beginning of the second semester, the Principal will request a District review of the LEP folders.

Internal Reviews will result in the satisfactory completion of all ELL/LEP student plans and Home Language Surveys. Staff will be directed to ensure that test assessment data noted in the LEP plan corresponds to data listed in the Oral language Proficiency Scale Revised (OLPS-R) test materials section.

If you have questions pertaining to this process, please call me at (305) 257-6004.

cc: Mr. Robert Kalinsky, Administrative Director

MEMORANDUM November 2, 2011

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Mr. Eric Torres, Principal
Palmetto Elementary School

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT FOR PALMETTO ELEMENTARY SCHOOL**

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

RECOMMENDATIONS

1.1. Review receipting and depositing procedures with staff to ensure understanding and awareness of the requirements and expectations.

1.2. Review deposit packages to ascertain timelines of the deposit of funds.

1.3. The Registrar should attend the Registrar's Training session conducted by the Office of Early Childhood Programs as soon as it is made available.

Management Response:

In order to ensure that the collection of monies is done in a manner that is in full compliance with Internal Funds guidelines and to protect the assets of the school district, we have implemented a daily procedure which requires that all daily deposits are logged on FM 7249, Daily Collections of Deposits Log. Deposits will be placed in a secure vault until taken for deposit to the bank. Monies collected will be deposited in the bank once they exceed $300. At minimum, a deposit will be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected. The Principal will also disseminate Weekly Briefing # 5164 which addresses the safeguards and timelines for the deposit of funds and will review with the Treasurer, Registrar and After-School Care Clerk and Manager.

The Principal will ensure that funds are deposited in a timely manner. These procedures will be discussed with appropriate staff. The Assistant principal will further monitor this process to ensure compliance and to ensure that all checks are deposited in accordance with established procedures.

The Principal will designate the School Treasurer as the primary person responsible for the preparation of the Daily collections/Deposits Log. The After School Clerk and the Registrar are the back-ups. The Principal, or the Assistant Principal in his absence, will review the log on a daily basis and then sign receipt of the deposit. Any discrepancies will be reported to the Principal.

The Registrar and After School Clerk will attend training conducted by the Office of Early childhood Programs as soon as it is made available and will work with a mentor Treasurer assigned by the South Regional Center.

The Principal reviewed with the Treasurer, Registrar, After School Clerk, and Assistant Principal all steps mentioned in this document to ensure compliance with established procedures and to ensure compliance.

If any further corrective actions or additional strategies are necessary, I may be contacted at Palmetto Elementary, 305-238-2327.

cc: Mr. Robert L. Kalinsky, Administrative Director

MEMORANDUM November 2, 2011

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Dr. Annette M. Diaz, Principal
Claude Pepper Elementary School

SUBJECT: **SCHOOL SITE FTE CORRECTIVE ACTION PLAN – RESPONSE TO SCHOOL SITE AUDIT REPORT – CLAUDE PEPPER ELEMENTARY SCHOOL**

RECOMMENDATION:

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

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

In order to ensure that all LEP Folders are in compliance with District guidelines, the following plan of action will be implemented immediately when any student registers and/or is tested and identified as ESOL. If the student is a new arrival from another Miami-Dade County Public School, the registrar will check the student's "J" screen in ISIS to verify the ESOL status. If it is determined that the student is an active ESOL student, the registrar will contact the sending school and request the LEP folder. Upon receipt of the LEP folder, the folder will be submitted to the Assistant Principal for a complete review to ensure compliance with all stipulated District guidelines. The principal will be notified, in writing, by the Assistant Principal, when completed and include any missing and/or non-compliance concerns. Missing documents will be formally requested, in writing, from the sending school's principal.

Initial entries whose parent/guardian completes the Home Language Survey will be screened for possible ESOL testing. The registrar will forward all initial Home Language Surveys to the assistant principal to verify that the survey has been appropriately completed, dated and signed. Any discrepancies will immediately be brought to the attention of the principal who will notify the parent/guardian of the error.

Students who are tested by the ESOL teacher and determined to need ESOL services will be properly documented in the LEP plan by the ESOL chairperson. The ESOL chairperson will complete all documents including the appropriate signatures and forward it to the Assistant Principal for review. The assistant Principal will conduct a complete review of each LEP folder to determine the status. Folders that do not comply with District standards will be returned to the ESOL Chairperson. The Assistant Principal will document and discuss the errors with the ESOL chairperson and request that the errors be corrected within 24 hours. Collaboratively, the Assistant Principal and ESOL chairperson will work to correct these concerns. The Assistant Principal will notify the Principal in writing of any error and include the date of the discussion with the ESOL chairperson. If the folder meets District standards, the folder will be forwarded to the Registrar for data input into ISIS. Once the Registrar inputs the data, the Registrar will file the folder in the LEP file cabinet.

Monitoring of LEP folders will be conducted on a quarterly basis. A request was made by the principal to the Division of Bilingual Education and World Languages to conduct an initial audit of the school's LEP folders on October 4, 2011. On October 5, 2011, District Supervisor, South Regional Center conducted a review of a select sampling of LEP folders. Training was provided to the ESOL chairperson and the assistant principal regarding procedures for maintaining up-to-date ESOL records to comply with state and district standards.

In addition, a complete accounting of every ESOL student at the school will be conducted by the school's LEP Review Team. The LEP Review Team will consist of the Assistant Principal, the ESOL chairperson and a teacher. The review team will determine if all the LEP folders are accounted for. Appropriate measures will be used to locate missing folders. During the review of the LEP folders, the Bilingual Programs Monitoring Form will be utilized to review each record to ensure compliance. All LEP folders found to be out of compliance will be annotated and separated. Upon completion of the initial LEP team's review, all non-compliant LEP folders will be corrected. Finally, the Principal will randomly select and review 10 percent of the LEP folders. All of the randomly selected folders must meet District standards. If all of the randomly selected folders do not meet the standard, the review team will be required to review all of the folders for errors. After the second review, and correction of the folders, the Principal will again randomly select 10 percent of the folders for review. This process will continue until there is a zero percent error rate. At the beginning of the second semester, the Principal will request a review of the LEP folders from the Division of Bilingual Education and World Languages.

If you have any further questions or concerns regarding this matter, please contact me at (305)386-2745.

cc: Mr. Robert Kalinsky, Administrative Director

MEMORANDUM **November 2, 2011**

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Tamela Brown, Principal
Whispering Pines Elementary School

SUBJECT: **RESPONSE TO SCHOOL AUDIT REPORT – WHISPERING PINES ELEMENTARY SCHOOL**

RECOMMENDATIONS

1.1 Direct staff to deliver sealed bank statements and bank correspondence to the Principal for the initial review before it is forwarded to the Treasurer.

1.2 Ensure that the Treasurer understands and adheres to the procedure of monitoring daily checking account balances.

1.3 Do not sign any checks unless the school Treasurer has previously ascertained that the checking account has sufficient funds to cover the expenditures.

PERSON(S) RESPONSIBLE: Principal and Treasurer

MANAGEMENT RESPONSE:

In order to ensure that the Principal is the initial person to open sealed bank statements and correspondence, clerical employees have been instructed to submit all sealed bank statements and correspondence to the Principal for review. After the Principal receives and reviews bank documents, the documents will be forwarded to the Treasurer.

The Principal has instructed the Treasurer to monitor the daily checking account balances by maintaining a running checkbook balance and submitting it to the Principal on a weekly basis. In addition to this, the Treasurer will discuss all transactions on a daily basis with the Principal.

In order to make certain there are sufficient funds to cover expenditures, the Principal will ascertain the daily balance in the checking accounts prior to signing checks.

If you have any further questions or concerns regarding this matter, please contact me at 305.776.9629.

cc: Mr. Robert Kalinsky, Administrative Director

MEMORANDUM November 2, 2011

TO: Ms. Valtena G. Brown, South Regional Superintendent
South Regional Center

FROM: Alicia Hidalgo, Principal
South Dade Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF SOUTH DADE SENIOR HIGH SCHOOL**

The following is a response to relevant findings in the school audit report of South Dade Senior High School.

RECOMMENDATIONS

1.1. Develop appropriate spending plans for Title I program funds in order to maximize their use and periodically monitor the spending of Title I Program funds to ensure funds are spent accordingly.

1.2. Transfer funds as needed to cover those expenditures associated with activities where initial budgets are not established at the beginning or later during the year.

MANAGEMENT RESPONSE:

To ensure that Title I program funds are maximized and spent in a timely manner, a spending plan has been developed to ensure that funds are spent accordingly.

1) Create a spreadsheet of all accounts in order to monitor Title I Program balances for the 2011-2012 school year and meet with Administrative Director at the South Regional Center to review projected hourly expenditures.

2) A monthly routine has been implemented which requires that the principal's secretary to print out all of the Title I budgets from the SAP system on the first Monday of each month. The Principal will review the print out to ensure that all expenditures are in line with the projected Budget.

3) The Assistant Principal overseeing the Title I Program will update the spreadsheet with current balances each month.

4) The Principal will monitor the accounts within the Title I budget to ensure that all expenditures are covered and will further ensure that all allocated funds will be properly utilized and expended in a timely manner.

5) The Principal will initiate budget transfers to cover expenditures where initial budgets were not established.

6) Additional transfers will be processed to avoid the under utilization of funds as necessary.

If you have any further questions or concerns regarding this matter, please contact me at (305) 247-4244, ext. 2280. Thank you for your continued support.

cc: Mr. Robert Kalinsky, Administrative Director

MEMORANDUM

November 14, 2011
JLD#033/2011-2012
305-572-2800

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

FROM: Jose L. Dotres, Region Superintendent
North Regional Center

SUBJECT: **RESPONSES TO AUDIT REPORT OF NORTH REGIONAL CENTER SCHOOLS**

Please find attached the responses to the audit finding for the 2009-2010 fiscal year for North Hialeah Elementary School, Fienberg Fisher K-8 Center, M.A. Milam K-8 Center, and Dr. Michael M. Krop Senior High School. North Regional Center has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

North Hialeah Elementary

1. Purchasing function not properly planned resulted in questionable disbursement practices

1.1 Discontinue the wholesale club membership since the level of school activities does not warrant such expense.

1.2 Plan disbursements accordingly to ensure that funds are available prior to authorizing purchases.

1.3 Curtail hospitality expenses and consider transferring profits from the General Fund- school pictures account to the Special Purpose account at 50 percent or less to allow for the General Fund accumulate revenues for future use.

- The North Regional Center Financial Business Operations Administrative Director instructed the principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.

Fienberg Fisher K-8 Center

1. Inadequate controls over the group pictures activity resulted in losses

1.1 Implement a process of periodically reviewing internal funds transactions to ensure that all transactions have been processed and there are no delays in the posting of such transactions.

1.2 Implement the utilization of sub-ledgers to segregate the financial activity of individual student pictures and group pictures.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow establishing the procedures for calculating disbursements.

- The Principal will submit to the North Regional Center Financial Business Operations Administrative Director picture bids for review and approval.

- The North Regional Center Financial Business Operations Administrative Director cooperatively with the Principal will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.

- The North Regional Center Financial Business Operations Administrative Director cooperatively with the Principal will coordinate quarterly Internal Funds mini-reviews. Results will be examined, discrepancies will be corrected immediately and a copy of the reviews will be submitted to the Region.

2. Inadequate Controls Over Disbursements

2.1 Review the disbursement function with staff to create awareness and understanding of the requirements and expectations.

2.2 Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.

2.3 Strengthen review over the Fund 9 reconciliation to ensure the timely replenishment of this account.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.

M.A. Milam K-8 Center

1. Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential Full-Time Equivalent (FTE) Funding Disallowances –

1.1 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that all pertinent forms are properly signed.

- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and LEP folders are carefully reviewed for compliance upon entry.

- The North Regional Center Financial Business Operations Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's ELL Supervisor and the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ELL program.

- Results from the District and Region mini-reviews will be submitted to the North Regional Center Financial Business Operations Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.

Dr. Michael M. Krop Senior High

1. Improper Procedures For the Disposal of Property Resulted In The Reporting Of "Un-located" Property

1.1 Ensure that staff and administration, particularly those in charge of property management, understand and are fully aware of the procedures for accounting and disposing of property; and strengthen management control over property items at the school.

1.2 The school should return to the district those funds received from the equipment sale as restitution for the "un-located" equipment.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to review Section 4 of the *Manual of Property Control Procedures* regarding the procedures for recording and managing property as well as for the disposition of property.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to develop a systematic written process for accounting for and disposing of property.

- The North Regional Center Financial Business Operations Administrative Director instructed the Principal to meet with the school's staff to review the aforementioned procedures for property control, the procedures for the disposition of property, and the guidelines for the recycling program outlined in weekly briefing #9750.

- School Principals will be required to participate in the District's Money Matters Support Program and address specific audit findings in their job targets on the School Administrator Performance Management Assessment Form and provide progress points and evidence of progress to ensure effective and efficient practices.

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

JLD/VSP/mm

Attachments

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Vivian M. Santiesteban-Pardo

SOUTH REGIONAL CENTER

M E M O R A N D U M

October 31, 2011
VGB/2011-12/ M#055
(305) 252-3041

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

FROM: Valtena G. Brown, Regional Center Superintendent
South Regional Center

SUBJECT: CLAUDE PEPPER ELEMENTARY SCHOOL, GATEWAY ENVIRONMENTAL K-8 LEARNING CENTER, PALMETTO ELEMENTARY SCHOOL, SOUTH DADE SENIOR HIGH SCHOOL AND WHISPERING PINES ELEMENTARY SCHOOL RESPONSE TO AUDIT EXCEPTIONS FOR THE 2009-2010/2010-2011 FISCAL YEARS

Please find attached the responses to the internal funds audit for the 2010-2011 fiscal year for the five schools listed; Claude Pepper Elementary School, Gateway Environmental K-8 Learning Center, Palmetto Elementary School, South Dade Senior High School and Whispering Pines Elementary School. The following activities will be implemented at the Region level:

CLAUDE PEPPER ELEMENTARY SCHOOL, GATEWAY ENVIRONMENTAL K-8 LEARNING CENTER

Discrepancies in English language Learners' (ELL) Student Records Resulted in Potential FTE Funding Disallowances – Recommendation

The South Regional Center Administrative Director for Financial and Business/ Operations will solicit assistance from the Bilingual Department, to conduct mini reviews quarterly, in selected areas of the ELL Program to ensure compliance at Claude Pepper Elementary School and Gateway Environmental K-8 Learning Center. The South Regional Center Financial and Business Operations Director will review the results of the mini review with the Principals and facilitate any corrections as necessary. The South Regional Center Administrative Director will contact the Bilingual Department to work with the Principals in the preparation of the Bilingual Monitoring Form and the ELL check list. These forms will be reviewed with the principal to ensure that all ELL records comply with the established procedures.

PALMETTO ELEMENTARY SCHOOL

Collection, Posting and Deposit of Pre-Kindergarten Enrichment Program Fees not Compliant with Established Procedures

The South Regional Center Administrative Director for Financial and Business/ Operations will meet with the Principal of Palmetto Elementary School monthly to review procedures for the collection and deposit of fees in the Pre-Kindergarten Enrichment Program to ensure compliance with established procedures. This Administrator will further review with the Principal, selected deposit packages, and will ensure that deposits are made in a timely manner. A mentor registrar from a neighboring school will be assigned to work with the registrar at Palmetto Elementary School to further ensure compliance with established procedures.

SOUTH DADE SENIOR HIGH SCHOOL

Ineffective Monitoring of Title I Accounts Resulted in Salary and Non-Salary Accounts under Utilization

The South Regional Center Administrative Director for Financial and Business/ Operations will request a copy of a spreadsheet, to be created by the principal, after each payroll cycle, in order to provide an additional monitoring mechanism of the Title I Hourly and Non-Salary Accounts. The Administrative Director will request monthly, a list of active employees funded through Title I. This list will be reviewed with the principal in order to accurately project expenditures for the 2011-2012 school year. Transfers will be processed as necessary. This monitoring mechanism will ensure that Title I Funds are expended in accordance with established procedures and that these accounts will not be underutilized.

WHISPERING PINES ELEMENTARY SCHOOL

Former Treasurer Altered Checking Account Statement to Conceal Account Deficit

The South Regional Center Administrative Director for Financial and Business/ Operations will meet on a monthly basis with the Principal of Whispering Pines Elementary School to review the monthly bank statement, checking account, and monthly reports, and will ensure that all correspondence with the bank will be reviewed by the Principal before it is submitted to the Treasurer. The Regional Center and the Principal will closely supervise and monitor the Treasurer on a regular basis. A mentor will be assigned to work with the Treasurer. These actions will significantly reduce the possibility of the checking account bank statement being altered in the future.

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

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Mr. Robert Kalinsky

MEMORANDUM **November 18, 2011**

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

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

SUBJECT: **DISTRICT/SCHOOL OPERATIONS' RESPONSE TO INTERNAL AUDIT FOR SCHOOLS IN NORTH AND SOUTH REGION CENTERS AND PROPERTY AUDIT FOR NORTH DADE MIDDLE SCHOOL**

District/School Operations has reviewed the audit exceptions cited for the 2010-2011 fiscal year for schools in the North and South Region Centers which include: North Hialeah Elementary, Fienberg Fisher K8 Center, M.A. Milam K8 Center, Dr. Michael M. Krop Senior, Claude Pepper Elementary, Gateway Environmental K8 Learning Center, Palmetto Elementary, Whispering Pines Elementary, South Dade Senior High School and the Property Audit for North Dade Middle School.

- District/School Operations will review results quarterly of the District/Region Business Director reviews of selected areas of Internal Funds, Reconciliations, Deposits and Disbursements. Discrepancies will be investigated through the appropriate District/Regional Center office.

- District/School Operations will work cooperatively with the Region in providing assistance from the Office of Internal Fund Accounting, respectively. Furthermore, District/School Operations will keep on file Region results of the mini-reviews held with Principals in selected areas noted in these schools' audit responses.

- District/School Operations will work collaboratively with Region Centers and facilitate appropriate training from District Offices in Title I, Bilingual Education and/or Special Education Department, respectively.

- The Money Matters Support Program will provide information on the proper implementation of Internal Funds and appropriate purchases and disbursement procedures.

- District/School Operations will work collaboratively with the Regions in providing assistance to the schools with property management issues, and in reference to corrective plan of action from Region and District administration to ensure that property issues undergoing relocation from one site to another are closely monitored and judiciously expedited.

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

_____FW

FW:cg
M129

cc: Dr. Daniel Tosado
Region Superintendents
Region Business Directors

MEMORANDUM **November 17, 2011**

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

FROM: Mr. Nikolai P. Vitti, Assistant Superintendent
Education Transformation Office

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF MIAMI NORLAND SENIOR HIGH SCHOOL, MIAMI NORTHWESTERN SENIOR HIGH SCHOOL, MIAMI SOUTHRIDGE SENIOR HIGH SCHOOL, NORTH MIAMI SENIOR HIGH SCHOOL.**

Please find attached the response to the internal funds audit for the 2010-2011 fiscal year for Miami Norland Senior High School, Miami Northwestern Senior High School, Miami Southridge Senior High School, and North Miami Senior High School. The Education Transformation Office (ETO) has reviewed the audit exceptions cited. The following support activities will be implemented.

MIAMI NORLAND SENIOR HIGH SCHOOL

Improper Controls Over The Bookkeeping Function Led To Misappropriation Of Funds By The Former Treasurer

1.1 Discuss procedures with staff school wide to ensure their understanding of the receipting process and direct staff to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.

1.2 Direct the Activities Director to inform the administration of school staff/sponsors who fail to conduct activities and receipt collections in compliance with district policy.

1.3 Discuss the bookkeeping procedures with the new Treasurer to ensure understanding of the expectations of the job.

1.4 Direct the Treasurer to receipt funds immediately and to inform the administration of any school sponsor who fails to follow receipting procedures. Also direct the Treasurer to deposit funds in a timely manner.

1.5 Assign an administrator to oversee fundraising activities and the Treasurer's office; and direct him/her to inform the administration of any discrepancies for immediate corrective action.

1.6 Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited.

1.7 Direct school staff *to deliver the unopened bank statement to the Principal/Principal's* designee.

- The Principal was directed to monitor the checkbook on a weekly basis and verify bank statements with the online information.
- The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting, ensuring procedures for deposit and money collections are adhered and proper documentation is maintained.

Inadequate Financial Oversight Resulted In Deficit Fund Balances And Questionable Expenditures

2.1. Given the financial condition of the school, spending should be curtailed by ensuring that only those expenditures critical to the operation of the school are approved. Also,

consideration should be given to devising a plan for raising funds to eliminate deficit account balances.

2.2 Review accounts in Classes and Clubs associated with sports to determine whether available funds can assist with part of the Athletic Fund deficit. Similarly, any funds in accounts with little or no activity not earmarked for any particular purpose should be transferred to the General Fund to assist with the deficit balance. Finally, determine whether available funds in the Special Purpose account can be transferred back to the General Fund or the Athletic Fund.

2.3 Strengthen the management of the internal funds of the school by *periodically reviewing accounts and fund balances* and adjusting spending plans, accordingly. This should include plans for the proper utilization of vending commissions, donations, profits from fundraising activities and fees collected from students.

2.4 Prior to approving any expenditure ensure that accounts have available funds, and that the expenditure is not only allowable but comports to the intent of the monies collected/available in the account.

2.5 Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.

2.6 Discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the spending of funds and utilization of available balances.

2.7. Obtain region approval before renting any vehicles.

- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities to include receipting and depositing procedures, Student Activity Operating Reports, and posting of transactions.

Deposits and Disbursements Not Compliant With Documentation Guidelines

3.1 The Principal should continue utilization of the Collections/Deposits Log [FM-7249] and periodically review with the Treasurer to ensure it is utilized by the school. This includes all deposits awaiting (both internal funds and cafeteria) awaiting pick-up at the school.

3.2 Discuss the disbursements procedures with the staff to make them aware of the need for the disbursement documentation requirements and the timely payment of expenditures.

3.3 Strengthen the monitoring over the disbursement function.

3.4 Monitor the Fund 9 account to ensure it is timely replenished.

- The Principal was instructed to personally review disbursements, monitor available balances in all accounts and payments of invoices in a timely manner.
- The Principal was instructed to monitor the timely reconciliation of Fund 9.
- The Education Transformation Office Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

Yearbook Sales Not Sufficient To Cover Yearbook Costs

4.1 In the event a yearbook activity is conducted in 2011-2012, the administration should closely monitor this activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses, and that Monthly Operating Reports are prepared in a timely manner.

- The Principal has been directed to closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential FTE Funding Disallowances

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

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

MIAMI NORTHWESTERN SENIOR HIGH SCHOOL

Inadequate Controls Over Disbursements

1.1. Review the disbursement procedures with staff to ensure a proper understanding of the requirements and expectations.

1.2. Ensure that there are sufficient uncommitted funds available before approving/making purchases and ensure that staff obtains approval prior to making any disbursements. Direct the Treasurer and clerk in charge of P-Card disbursements to inform the administration of available balances prior to requesting authorization to spend any funds. This should also include not approving P-Card disbursements unless funds are available and the authorization form is signed prior to the school processing any such disbursements.

1.3. Improve controls over the tracking, safeguarding and utilization of mobile equipment such as IPADS and kindles, purchased with school funds, which are issued to school administration and staff for school use.

1.4. Replenish the Fund 9 account in a timely manner and verify the availability of District funds before approving additional purchases.

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 4 and 5 and Section IV, Chapter 12 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper receipting of funds, disbursement of funds, Fund 9 replenishment and tracking of mobile equipment.
- The Education Transformation Office Administrative Director, cooperatively with the Region Business Manager from the Office of Internal Funds and the Principal, will conduct quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

Inadequate Controls Over Yearbook Sales

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

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

- The Principal has been directed to closely monitor 2011-12 sales activity to ensure that yearbook sales and fundraising efforts are sufficient to cover the related yearbook expenses and that Monthly Operating Reports are prepared in a timely manner.

Inadequate Controls Over the Accounting and Inventory of Physical Education Uniforms

3.1. Discuss the procedures with staff and implement controls over the sale of P.E Uniforms, including the preparation, review, and filing of Operating Reports.

3.2. Ensure that formal quotes are obtained for purchases of $1,000 or more. For the 2011-2012 fiscal year, in order to comply with district policy, one of the quotes should be from a minority vendor.

3.3. Adjust sales prices to comport with district policy.

3.4. Ensure that inventory of uniforms is secured in a more controlled environment and that perpetual inventory counts are accurate.

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapter 5 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to accounting and maintaining inventory of physical education uniforms and the acquisition of the required 3 bids to ensure compliance with district policy and procedures.
- The Education Transformation Office Administrative Director, cooperatively with the Region Business Manager from the Office of Internal Funds and the Principal, will conduct quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

Inadequate Documenting and Recording of Payroll Resulted in Discrepancies

4.1. Review payroll procedures with school staff and administration, particularly as they relate to payroll reporting, recordkeeping, and the preparation of leave cards to ensure understanding and awareness of the procedures.

4.2. Strengthen the overall review of the payroll process and all payroll records to ensure that documentation supports the payroll reported.

- The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the Payroll Processing Procedures Manual and Payroll Highlights.
- The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Assistant Principal, Payroll Clerk and Staff.

MIAMI SOUTHRIDGE SENIOR HIGH SCHOOL

Inadequate Recordkeeping, Documenting, and Reporting Of Payroll

1.1 Review with Cafeteria Staff the sign in/out payroll procedures and the proper documentation of payroll hours.

1.2 Direct the Cafeteria Manager and the Payroll Clerk to maintain the original sign in/out attendance rosters on file to properly support the payroll reported.

1.3 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.

1.4 Periodically review the sign in sheets of Cafeteria staff to ensure that employees are signing in/out in a timely manner.

- The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the Payroll Processing Procedures Manual and Payroll Highlights.
- The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Vice Principal, Payroll Clerk and Cafeteria Manager.

Year-End Athletic Ticket Inventory Not Prepared at Year-End and Errors in Football Ticket Deposits

2.1 Review with staff from the Athletic Department those procedures regarding the preparation of the athletic inventory, the reconciliation of ticket sales, and the preparation of deposits.

2.2 Periodically meet with the Athletic Business Manager and the Treasurer to review the Athletic Fund activity, the games reports and the associated deposits.

- The Education Transformation Office Administrative Director directed the Principal to meet with the new Athletic Business Manager and Treasurer to thoroughly review the procedures for the preparation of the athletic inventory, reconciliation of ticket sales and the preparation of deposits to ensure proper receipting of funds and timely and accurate reporting of deposited funds.

NORTH MIAMI SENIOR HIGH SCHOOL

Inadequate Controls Over Receipts And Deposits

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

1.2 Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and properly recorded.

1.3 Ensure that the Collections/Deposits Log (FM-7249) is consistently utilized to document those packages awaiting the armored car pickup service.

1.4 Ensure that collections from outstanding student fees, fines and lost textbooks are properly documented and maintain source documentation.

- The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II, Chapters 2, 4 and 5 of the Manual of Internal Fund Accounting to ensure that procedures are followed as related to proper receipting of funds and disbursement of funds.
- The Education Transformation Office Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.

- The Education Transformation Office Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

Inadequate Controls Over Disbursements

2.1 Discuss disbursement procedures with staff for understanding and awareness of requirements.

2.2 Strengthen the review and oversight over the disbursement function to ensure the propriety of the charges, posting of charges to the appropriate accounts and the completeness of the documentation.

2.3 Strengthen the safeguarding of property that belongs to the school.

2.4 Maintain control over expenditures to prevent overspending and immediately discontinue the practice of inappropriately modifying the posting of transactions between accounts as described above.

- The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with all guidelines found in Section II, Chapters 4 and 5 of the Manual of Internal Fund Accounting, ensuring procedures for making purchases and disbursements are adhered and proper documentation is maintained.
- The Education Transformation Office Administrative Director will meet with the Principal to review that all purchases are made in accordance with School Board Rule 6G-X13-3C-1.17, Payment for Goods and Services. Additionally, Purchase Order Requisition Logs, Invoices, and all related documentation will be reviewed to ensure that record keeping procedures are intact, organized and dealt with in a timely manner.

School-Sponsored Activities Non-Compliant With Guidelines

3.1 Strengthen the review over fundraising activities, including the preparation, review and filing of Students Activity Operating Reports, Inventory and Operating Statements, and Fundraising Activity Log.

3.2 Review the procedures with sponsors to ensure awareness and compliance of the requirements; and consider the number of activities conducted at a given time by a sponsor.

- The Education Transformation Office Administrative Director will meet with the Principal bi-monthly to review internal funds financial activities to include receipting and depositing procedures, Student Activity Operating Reports, and posting transactions.

Yearbook Activity Not In Compliance

4.1 Order yearbooks in quantities which are commensurate with student demand.

4.2 Ensure that the yearbooks' per unit cost is properly estimated to charge students as close to cost as possible.

- The Principal has discontinued the purchase of Yearbooks.

If you need additional information, please contact me at (305) 995-3091. Thank you for your support and assistance.

cc Dr. Janice Cruse-Sanchez
Ms. Martha Montiel
Ms. Maria T. Gonzalez
Ms, Cynthia Gracia

MEMORANDUM

November 15, 2011
JLD#036/2011-2012
(305) 572-2800

2011 NOV 18 PM 4:22
MANAGEMENT AND COMPLIANCE AUDITS

TO: Mr. Jose F. Montes-De-Oca, CPA, Chief Auditor
Audit and Investigative Affairs

FROM: Dr. Marcos M. Moran, Assistant Superintendent
School Operations

Jose L. Dotres, Region Superintendent
North Regional Center

SUBJECT: RESPONSE TO THE INTERNAL SCHOOL AUDIT OF NORTH DADE MIDDLE SCHOOL - 6501

As a result of unusual and extenuating circumstances, North Dade Middle School was closed and moved from its original site to the former North Miami Senior High School and then displaced again to the former Miami Carol City Senior High School. In response to the plant security reports completed for this location, the following procedures have been updated to ensure proper transference of equipment:

Kitchen Equipment

1. During the planning phase of a site relocation, the Department of Food and Nutrition will:
   a. Identify any equipment which will be transferred to the new site.
   b. Identify equipment that is cost-effective to be transferred to other schools.
   c. Designate all remaining equipment for disposal.

2. Once the school's kitchen ceases operation:
   a. For large/fixed equipment, the OSF- Furniture, Fixtures and Equipment Department will:
      I. Ensure that the school administrator signs the Outgoing Controlled Equipment (FM-1670) form for controlled equipment to be transferred to other locations or to be removed as surplus.
      II. Arrange for the transfer and installation of equipment designated by Food and Nutrition to other school(s) and coordinate the installation with the Maintenance Department.
      III. Coordinate disposal of all surplus equipment.

   b. For small/portable equipment, the Department of Food and Nutrition will:
      I. Ensure that the school administrator signs the Outgoing Controlled Equipment (FM-1670) form for any controlled equipment to be transferred to other locations or removed as surplus.
      II. Relocate equipment to the new location, as appropriate.
      III. Transfer the equipment to other schools, as needed.

Transfer of Equipment not related to Food Service Areas

For other equipment, not related to food service, the school administrator will determine the disposition of said equipment and OSF – Furniture, Fixtures and Equipment Department will assist the school administrator in relocating or disposing of said equipment, as appropriate.

cc: Alberto M. Carvalho
Freddie Woodson
Maria T. Gonzalez

MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 205.07 (Florida Statutes), which stipulate categorical preferences for employment.

In Addition:

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

Revised: (07-11)

MIAMI-DADE COUNTY PUBLIC SCHOOLS

INTERNAL AUDIT REPORT
SELECTED SCHOOLS
DECEMBER 2011

Office of Management and Compliance Audits
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