

MIAMI-DADE COUNTY PUBLIC SCHOOLS

***Internal Audit Report
Selected Schools***



*At 52 of 53 Schools, The Financial
Statements Were Fairly Stated.*

*At 11 Schools, Controls Over The
Bookkeeping Function, the P-Card,
Payroll, Equipment Disposal, Full-Time
Equivalent (FTE) Reporting And
Fundraising/Athletic Activities Need
Improvement.*

*Property Inventory Results Were
Satisfactory At Most Schools Where
A Property Inventory Was
Conducted.*

December 2014

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Miami-Dade County Public Schools

giving our students the world

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Alberto M. Carvalho

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Jose F. Montes de Oca, CPA

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Raquel A. Regalado

December 9, 2014

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

Ladies and Gentlemen:

This report includes the audit results of 53 schools currently reporting to the North Region, Central Region, South Region, the Education Transformation Office (ETO) and the Adult and Community Education Division within School Operations. The audit period of 21 of the 53 school audits is two fiscal years ended June 30, 2014, while the audit period of the remaining 32 school audits is one fiscal year ended June 30, 2014. At 34 schools, there was a change of Principal since the prior audit. The schools in this report include the last audit of Campbell Drive Middle School, an ETO school which terminated operations as a middle school in June 2014, and the first audit of MAST @ FIU Biscayne Bay Campus.

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, Full-Time-Equivalent (FTE) reporting and student records, and selected aspects of data security. The audits also included the results of property inventories.

Our audits disclosed that the financial statements of most of the schools reported herein were fairly stated. At 42 of the 53 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for most schools reported herein were satisfactory.

At 11 schools, we cited deficiencies in the supervision of the disbursement function (involving internal funds and P-Card Program purchases), and the bookkeeping of the funds. At one of these schools, we discovered a misappropriation of funds and identified the former bookkeeper as the party responsible for the misappropriation. At present, the case is at the Attorney's Office pending resolution from the courts. Other areas of noted discrepancies included the payroll function, FTE records and procedures, the disposal of property, and staff's handing of certain athletic and fundraising activities. Regarding the matter of the fundraisers and athletic events, one of the sponsors was required to pay for merchandise ordered without approval, and another staff member was required to reconstitute funds missing from a sale of athletic admission tickets.

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

Sincerely,

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

JFM:mtg

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 53 schools. These include 16 schools that report to the North Region Office, 10 schools that report to the Central Region Office, 10 to the South Region Office, 12 to the Education Transformation Office (ETO) and five that report to the Adult and Community Education Division within School Operations. One of these schools is Miami Lakes Educational Center and Technical College, which houses a senior high school and an adult education center. Both locations report to the same Principal but maintain separate records. In this report, we account for them as one school audit. Regarding audit matters, the senior high school reports to the North Region Office, while the adult education center reports to the Adult and Community Education Division within School Operations. Audit results also include the last audit of Campbell Drive Middle School, an ETO school which terminated operations as a middle school in June 2014, and the first audit of MAST @ FIU Biscayne Bay Campus.

The 53 schools comprise the audit results of 21 schools with a two-fiscal year audit period ended June 30, 2014, and 32 schools with a one-fiscal year audit period ended June 30, 2014. At 34 schools, there was a change of Principal since the prior audit.

The audits disclosed that 42 of the 53 schools reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The 11 schools with audit findings and the affected areas are as follows:

Name Of School/Center	Region	No. Of Findings	Area of Finding					
			Bookkeeping Function	P-Card	Payroll	FTE	Disposal of Equipment	Athletic/ Fundraising Activities
1. John G. Dupuis Elementary	North	1	✓					
2. Linda Lentin K-8 Center	North	1		✓				
3. M. A. Milam K-8 Center	North	1			✓			
4. Hialeah Middle	North	1				✓		
5. Norland Middle	North	1					✓	
6. Pine Lake Elementary	South	1	✓ (Misapp. Of Funds)					
7. Laura C. Saunders Elementary	South	2			✓	✓		
8. Carol City Elementary	ETO	2	✓	✓				
9. Poinciana Park Elementary	ETO	2		✓	✓			
10. Miami Southridge Senior	ETO	1						✓
11. North Miami Beach Senior	ETO	2		✓	✓			
Total Findings		15	3	4	4	2	1	1

At these 11 schools, we cited deficiencies in the supervision of the disbursement function (involving internal funds and P-Card Program purchases), and the bookkeeping of the funds. At one of these schools, we discovered a misappropriation of funds and identified the former bookkeeper as the party responsible for the misappropriation. At present, the case is at the Attorney's Office pending resolution from the courts. Other areas of noted discrepancies included the payroll function, FTE records and procedures, the disposal of property, and staff's handing of certain athletic and fundraising activities. Regarding the matter of the fundraisers and athletic events, one of the sponsors was required to pay for merchandise ordered without approval, and another staff member was required to reconstitute funds missing from a sale of athletic admission tickets.

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 34-85); and in the Appendix section in memorandum format (Pages 94-128).

Notwithstanding the conditions and findings reported herein, at 52 of the 53 schools reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school audited.

At Pine Lake Elementary School, due to the conditions cited in the report, which include the misappropriation of funds during the 2013-2014 fiscal year, as disclosed in the findings of the individual school audit report and in pages 49-52 of this report, the financial statement of the internal funds of the school does not fairly present the results of its operations, on the cash basis of accounting.

As of June 30, 2013, for 21 of the 53 schools reported herein, total combined receipts and disbursements amounted to \$7,167,861.14 and \$7,172,702.06, respectively; while total combined cash and investments amounted to \$3,228,227.86 (Pages 10-11). As of June 30, 2014, for all 53 schools reported herein, total combined receipts and disbursements amounted to \$11,207,423.93 and \$11,218,630.69, respectively; while total combined cash and investments amounted to \$3,901,943.27 (Pages 12-16).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at 52 of 53 schools generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. At Pine Lake Elementary School, for the 2013-2014 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure at the school was not generally functioning as designed by the school administration.

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

INTERNAL FUNDS

Internal funds records and procedures were reviewed at all 53 schools. Of this total, 48 schools were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following five schools, we found the following:

- At John G. Dupuis Elementary, during the 2011-2012 fiscal year audit, we had discussed with the former Principal certain delays in the posting of transactions. There was a change of Principal at this school effective July 2014. Our audit follow-up corresponding to the 2012-2013 and 2013-2014 fiscal years continued to identify delays in the posting of transactions (Pages 34-36).
- At Pine Lake Elementary, on May 27, 2014, staff from the Office of the Controller and the former Principal discovered that the former Bookkeeper had attempted to “correct” a deficit balance in the General Fund-School Pictures account by making an inappropriate transfer of funds from a field trip account. Our office was immediately contacted for assistance. Our review disclosed that cash collections totaling approximately \$7,360 could not be traced to internal funds’ deposit packages or to the bank account. Collections corresponded to the sale of school pictures and student admissions to a banquet and to an out-of-county field trip. Evidence pointed to the former Bookkeeper as the last person with custody of the funds before they went missing. We attempted to discuss the matter with her; however, she refused to meet with us. The incident was referred to M-DCPS Police and the State Attorney’s Office and at the present time, the case is pending resolution from the courts. As a result of the misappropriation and the unauthorized transfer of funds, the field trip account closed the year with a \$(5,000) deficit balance after all vendors were paid (Pages 49-52).
- At Carol City Elementary, the Principal discovered that the Bookkeeper had under her custody six checks totaling approximately \$3,370 that had not been deposited in the school’s checking account. Immediately upon this discovery, administration from the Education Transformation Office contacted our office and requested an audit. Our review disclosed that all checks represented awards/donations. When questioned as to the reason for not depositing the checks, the Bookkeeper stated that, for three of these checks, she was supposed to follow up with the associated third parties; however, she forgot to do so. For the rest of the checks, she claimed they were found in a box left by the former Principal; however, the current Principal was not informed. *There was a change of Principal at this school the prior year.* During the audit, we contacted all third parties involved to confirm the status of these checks and request a replacement check on behalf of the school, if one had not been issued. Other non-compliant bookkeeping matters included accounts that remained inactive for two years; instances where an Internal Fund Purchase Order [FM-1012] was not used to encumber funds for purchases of \$100 or more; and journal voucher transactions where the approval of the Principal was not documented (Pages 61-64).

- At Miami Southridge Senior, the Principal reported two incidents that were investigated by the Civilian Investigative Unit (CIU) of this office. Both incidents related to school staff that allegedly made purchases of athletic wear and fundraising items without obtaining the proper approvals. In addition to these incidents, at the request of the Principal, there was another investigation conducted by audit staff regarding discrepancies in the revenues generated from the sale of athletic game tickets during the 2012-2013 fiscal year. These athletic activities were under the financial oversight of a former Athletic Director and Athletic Business Manager. All investigations noted above have concluded at this time. While results were inconclusive for the first CIU investigation related to several unauthorized purchases of athletic wear (because of conflicting information and insufficient evidence), the school had to bear responsibility for some of the liabilities incurred and pay vendors from the internal funds of the school approximately \$12,500. Regarding the second CIU investigation, the former sponsor of the activity paid for the cost of the fundraising items, or approximately \$2,160. Regarding the results of the audit investigation, the former Athletic Business Manager admitted responsibility for the monetary shortfall of approximately \$950 discovered by us, which resulted in the employee's suspension from work without pay for several days. In addition, he was required to make restitution of the funds. As of the conclusion of the audit, staff changes in the affected areas have been made, the school hired a new Athletic Director and Athletic Business Manager, and all vendor-related liabilities have been cleared (Pages 74-79).
- At Norland Middle, the school deposited in the internal funds of the school \$3,000 from the sale of school-owned equipment. According to the Principal, the equipment was obsolete; and funds were to be used toward student incentives/recognition. This private sale does not comport with procedures established by the District for the raising of funds at the school and the disposal of school-owned equipment. We contacted the administration from Stores & Mail Distribution (S&MD) (*the department responsible for the disposal of district-owned equipment*), and received confirmation that the school never contacted/involved S&MD regarding this transaction (Pages 46-48).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 61 schools. This total includes the property results of 47 of the 53 schools in this report; and 14 schools whose inventory results were pending publication since the previous audit report issued earlier this fiscal year. MAST @ FIU Biscayne Bay Campus opened this past year and does not have a property inventory of equipment with an individual value of \$1,000 or more at this time. Regarding the adult education centers, a property inventory will be reported at a later date, when performed in conjunction with the corresponding senior high schools.

At 61 schools, Property Audits staff inventoried a total of 17,681 equipment items with a total approximate cost of \$46.6 million. Of the 61 inventories, 58 proved satisfactory. Results for the remaining three schools disclosed that a total of five equipment items

with a total depreciated value of \$313 and a total acquisition cost of \$7,381 could not be located (refer to Property Schedules on Pages 30-33).

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 disclosed that 13 items with a total depreciated value of \$7,832 and a total acquisition cost of \$15,705 were reported missing at five of the 61 schools (Page 33). All items consisted of computer equipment.

- At Norland Middle, as previously summarized in the *Internal Funds Section* of this report, the school did not comport with procedures for school sales and the procedures for the disposal of school-owned equipment (Pages 46-48).

PAYROLL

We reviewed current payroll records and procedures at the following 40 schools:

School Name	Region	School Name	Region
John G. Dupuis Elementary ¹	North	Cypress Elementary ¹	South
M. A. Milam K-8 Center	North	Marjory S. Douglas Elementary ¹	South
Norland Middle	North	Dante B. Fascell Elementary ¹	South
Palm Springs Middle ¹	North	Pine Lake Elementary ¹	South
Hialeah-Miami Lakes Senior ¹	North	Laura C. Saunders Elementary ¹	South
Dr. Michael M. Krop Senior	North	Sunset Park Elementary ¹	South
MAST @ FIU Biscayne Bay Campus ^{1,2}	North	Bowman Ashe/Doolin K-8 Academy ¹	South
Miami Beach Senior	North	Kenwood K-8 Center ¹	South
Broadmoor Elementary ¹	Central	Ethel F. Beckford/Richmond Elementary ¹	ETO
Fairlawn Elementary ¹	Central	Biscayne Gardens Elementary ¹	ETO
Flagami Elementary ¹	Central	Carol City Elementary	ETO
Kensington Park Elementary ¹	Central	Poinciana Park Elementary ¹	ETO
Lorah Park Elementary ¹	Central	Mandarin Lakes K-8 Academy ¹	ETO
Silver Bluff Elementary ¹	Central	Jose de Diego Middle ¹	ETO
Lillie C. Evans K-8 Center ¹	Central	Homestead Middle ¹	ETO
Dr. Henry W. Mack/West Little River K-8 Center ¹	Central	North Dade Middle ¹	ETO

¹Change of Principal at this school (34 schools).

² First Year audit at this school (1 school).

School Name	Region	School Name	Region
John I. Smith K-8 Center ¹	Central	North Miami Middle ¹	ETO
Young Men's Preparatory Academy ¹	Central	North Miami Beach Senior	ETO
Avocado Elementary ¹	South	Coral Gables Adult Education Center ¹	Adult Ed.
Dr. William A. Chapman Elementary ¹	South	Miami Palmetto Adult and Community Education Center ¹	Adult Ed.

At 36 of the 40 schools, there was general compliance with the *Payroll Processing Procedures Manual*.

- At M. A. Milam K-8 Center, Laura C. Saunders Elementary, Poinciana Park Elementary and North Miami Beach Senior, we found discrepancies with the recording/reporting of time and attendance. Overall issues included daily and hourly employees not noting their attendance on the Daily Payroll Attendance Sheets, hourly employees signing in/out ahead of their schedule, rosters of temporary instructors not properly maintained and leave cards not properly completed (Pages 40-42, 53-56, 71-73 and 83-85, respectively).

PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following 18 schools:

School Name	Region	School Name	Region
Hibiscus Elementary	North	Marjory S. Douglas Elementary	South
North Beach Elementary	North	Laura C. Saunders Elementary	South
Linda Lentin K-8 Center	North	Sunset Park Elementary	South
Hialeah Middle	North	Bowman Ashe/Doolin K-8 Academy	South
Hialeah-Miami Lakes Senior	North	Carol City Elementary	ETO
MAST @ FIU Biscayne Bay Campus	North	Poinciana Park Elementary	ETO
Fairlawn Elementary	Central	Mandarin Lakes K-8 Academy	ETO
Kensington Park Elementary	Central	Homestead Middle	ETO
John I. Smith K-8 Center	Central	North Miami Beach Senior	ETO

¹ Change of Principal at this school (34 schools).

Our review disclosed that 14 of the 18 schools listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

- At Linda Lentin K-8 Center, Carol City Elementary, Poinciana Park Elementary and North Miami Beach Senior High School we identified non-compliance with P-Card disbursement procedures. We identified instances where the documentation supporting the charges was incomplete, as well as instances where quotations for purchases of \$1,000 or more (which should include one quotation from a certified minority enterprise) were not obtained or the lowest bidder was not selected. We also identified some instances where purchases made close together were suggestive of a split to circumvent thresholds for soliciting vendor quotations (Pages 37-39, 65-67, 68-70 and 80-82, respectively).

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following 13 schools were selected for these audits:

School Name	Region Office	Survey Period (SP)	FTE Funding
North Beach Elementary	North	2013-2014 SP 3	\$ 2,292,486
Linda Lentin K-8 Center	North	2013-2014 SP 3	2,079,173
M. A. Milam K-8 Center	North	2013-2014 SP 3	2,230,951
Hubert O. Sibley K-8 Academy	North	2013-2014 SP 3	1,911,236
Hialeah Middle	North	2013-2014 SP 3	1,874,740
Palm Springs Middle	North	2013-2014 SP 3	2,438,924
Flagami Elementary	Central	2013-2014 SP 3	1,034,724
Dante B. Fascell Elementary	South	2013-2014 SP 3	1,187,783
Laura C. Saunders Elementary	South	2013-2014 SP 3	1,556,339
Sunset Park Elementary	South	2013-2014 SP 3	1,527,748
Bowman Ashe/Doolin K-8 Academy	South	2013-2014 SP 3	2,758,214
Kenwood K-8 Center	South	2013-2014 SP 3	2,323,743
Mandarin Lakes K-8 Academy	ETO	2013-2014 SP 3	2,557,565
Total FTE Funding			\$ 25,773,626

The total FTE funding amounted to approximately \$25.8 million for the 13 schools combined. FTE records reviewed corresponded to the 2013-2014 fiscal year Survey Period 3 (February 2014). Our FTE reviews disclosed that 11 of the 13 schools were generally compliant with District policy.

- At Hialeah Middle and Laura C. Saunders Elementary we identified non-compliance with FTE reporting and documentation procedures related to the English for Speakers of Other Languages (ESOL) Program. We identified instances where the individual ELL/LEP Plan, the Notice to Parents/Guardians of English Language Learners, and/or a printout of the student schedule for middle grade students was not evident in the files. In addition, we identified instances where the file did not have written evidence that a LEP Committee had met to assess the student's progress and continued participation in the ESOL Program (Pages 43-45 and 57-60, respectively).

DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following 17 schools:

School Name	Region	School Name	Region
M. A. Milam K-8 Center	North	Young Men's Preparatory Academy	Central
Hubert O. Sibley K-8 Academy	North	Cypress Elementary	South
Palm Springs Middle	North	Laura C. Saunders Elementary	South
MAST @ FIU Biscayne Bay Campus	North	Bowman Ashe/Doolin K-8 Academy	South
Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	North	Ethel F. Beckford/Richmond Elementary	ETO
Flagami Elementary	Central	Biscayne Gardens Elementary	ETO
Lorah Park Elementary	Central	Carol City Elementary	ETO
Silver Bluff Elementary	Central	North Miami Middle	ETO
John I. Smith K-8 Center	Central		

Our review disclosed that all 17 schools generally complied with the review of the report and with the requirements for granting access to system applications. Minor discrepancies were discussed with the school administration for their information and corrective follow-up.

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2013 and/or June 30, 2014 (depending on the school audited) for the 53 schools included herein. It also provides the audit opinion regarding the schools' financial statements:

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2013**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2013 for 21 of the 53 schools reported herein are:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>North Region Office Schools</u>									
1481	John G. Dupuis Elementary	\$ 28,444.15	\$ 137,816.25	\$ 140,265.89	\$ 25,994.51	\$ 7,765.94	\$ 18,228.57	\$ -	\$ 25,994.51
2401	Hibiscus Elementary	11,587.67	40,483.27	36,991.16	15,079.78	11,277.64	3,802.14	-	15,079.78
3741	North Beach Elementary	36,742.37	504,002.51	513,159.68	27,585.20	13,256.44	14,328.76	-	27,585.20
2911	Linda Lentini K-8 Center	17,682.24	38,311.50	40,335.34	15,658.40	11,530.80	4,127.60	-	15,658.40
3421	M. A. Miam K-8 Center	11,933.08	123,710.27	123,687.18	11,956.17	3,457.94	8,498.23	-	11,956.17
3821	North County K-8 Center	11,440.06	35,823.93	34,042.07	13,221.92	10,282.22	2,939.70	-	13,221.92
5141	Hubert O. Sibley K-8 Academy	13,266.63	68,382.93	63,341.34	18,308.22	6,013.27	12,294.95	-	18,308.22
6231	Hialeah Middle	37,055.30	94,569.96	95,686.98	35,938.28	18,966.24	16,972.04	-	35,938.28
6571	Norland Middle	47,013.45	124,773.20	125,953.77	45,832.88	22,289.04	23,543.84	-	45,832.88
7131	Hialeah-Miami Lakes Senior	169,802.52	345,790.08	327,120.73	188,471.87	27,524.03	160,947.84	-	188,471.87
7141	Dr. Michael M. Krop Senior	161,604.33	828,717.75	811,101.05	179,221.03	13,581.36	165,639.67	-	179,221.03
7201	Miami Beach Senior	253,431.70	617,424.33	643,421.27	227,434.76	21,409.77	206,024.99	-	227,434.76

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2013**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7391	Miami Lakes Ed. Ctr. & Tech. Coll. (Sr.)*	210,435.54	356,669.85	390,849.87	176,255.52	14,308.33	161,947.19	-	176,255.52
8901	Miami Lakes Ed. Ctr. & Tech. Coll. (Ad. Ed.)*	658,648.90	1,962,248.74	1,874,242.89	746,654.75	48,999.48	697,655.27	-	746,654.75
<u>Education Transformation Office (ETIO) Schools</u>									
6361	Jose de Diego Middle	31,333.79	25,074.78	22,623.55	33,785.02	9,406.24	24,378.78	-	33,785.02
7731	Miami Southridge Sr.	109,079.75	381,565.73	393,336.28	97,309.20	3,970.83	93,338.37	-	97,309.20
7541	North Miami Beach Sr.	191,502.64	415,648.42	440,929.26	166,221.80	33,112.17	133,109.63	-	166,221.80
<u>Adult Education Centers</u>									
7072	Coral Gables Adult Education Center	389,382.55	273,176.70	284,993.32	377,565.93	67,214.95	310,350.98	-	377,565.93
7272	Miami Coral Park Ad. & Comm. Ed. Ctr.	218,929.10	277,557.98	262,842.17	233,644.91	95,726.71	137,918.20	-	233,644.91
7432	Miami Palmetto Ad. & Comm. Ed. Ctr.	181,256.07	92,362.75	77,671.88	195,946.94	29,901.82	166,045.12	-	195,946.94
7512	Miami Springs Ad. & Comm. Ed. Ctr.	272,115.58	205,535.50	205,855.27	271,795.81	33,490.60	238,305.21	-	271,795.81
7532	Miami Sunset Ad. & Comm. Ed. Ctr.	170,381.36	218,214.71	264,251.11	124,344.96	27,992.94	96,352.02	-	124,344.96
TOTALS		\$ 3,233,068.78	\$ 7,167,861.14	\$ 7,172,702.06	\$ 3,228,227.86	\$ 531,478.76	\$ 2,696,749.10	\$ -	\$ 3,228,227.86

Note:

* At Miami Lakes Educational Center and Technical College, the senior high school and adult education center report to the same Principal but maintain separate records. The school is reported as one school audit for the two centers. Regarding audit matters, the adult education center reports to the adult and community education division within School Operations, while the senior high school reports to the North Region Office.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2014 for the 53 schools reported herein are:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>North Region Office Schools</u>									
1481	John G. Dupuis Elementary	\$ 25,994.51	\$ 136,802.22	\$ 133,998.02	\$ 28,798.71	\$ 10,481.31	\$ 18,317.40	\$ -	\$ 28,798.71
2401	Hibiscus Elementary	15,079.78	30,917.32	31,321.13	14,675.97	10,853.88	3,822.09	-	14,675.97
3741	North Beach Elementary	27,585.20	481,061.98	468,382.42	40,264.76	25,860.80	14,403.96	-	40,264.76
2911	Linda Lentini K-8 Center	15,658.40	41,801.21	41,170.41	16,289.20	12,139.93	4,149.27	-	16,289.20
3421	M. A. Miliam K-8 Center	11,956.17	137,951.85	132,667.39	17,240.63	8,697.80	8,542.83	-	17,240.63
3821	North County K-8 Center	13,221.92	37,942.02	35,600.55	15,563.39	12,608.26	2,955.13	-	15,563.39
5141	Hubert O. Sibley K-8 Academy	18,308.22	31,744.50	35,961.59	14,091.13	5,736.29	8,354.84	-	14,091.13
6231	Hialeah Middle	35,938.28	102,251.85	96,013.26	42,176.87	25,115.25	17,061.62	-	42,176.87
6571	Norland Middle	45,832.88	123,294.31	127,671.57	41,455.62	17,788.24	23,667.38	-	41,455.62
6681	Palm Springs Middle	39,872.70	100,046.33	101,283.59	38,635.44	9,930.48	28,704.96	-	38,635.44
7131	Hialeah-Miami Lakes Senior	188,471.87	380,021.20	378,042.77	190,450.30	28,657.85	161,792.45	-	190,450.30

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

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	179,221.03	895,162.26	885,602.03	188,781.26	22,099.31	166,681.95	-	188,781.26
7031	MAST @ FIU Biscayne Bay Campus*	-	17,681.25	11,713.10	5,968.15	5,968.15	-	-	5,968.15
7201	Miami Beach Senior	227,434.76	614,039.41	618,635.18	222,838.99	15,732.83	207,106.16	-	222,838.99
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	119,393.39	574,884.13	579,291.18	114,986.34	63,042.60	51,943.74	-	114,986.34
7391	Miami Lakes Educational Center and Technical College (Sr.)**	176,255.52	345,064.56	369,894.95	151,425.13	28,634.86	122,790.27	-	151,425.13
8901	Miami Lakes Educational Center and Technical College (Adult Ed.)**	746,654.75	1,709,836.92	1,714,612.48	741,879.19	40,562.84	701,316.35	-	741,879.19
Central Region Office Schools									
0521	Broadmoor Elementary	6,799.55	12,808.76	15,187.17	4,421.14	1,943.54	2,477.60	-	4,421.14
1801	Fairlawn Elementary	30,276.28	123,905.83	127,977.07	26,205.04	8,968.42	17,236.62	-	26,205.04

Notes:

* First Audit.

** At Miami Lakes Educational Center and Technical College, the senior high school and adult education center report to the same Principal but maintain separate records. The school is reported as one school audit for the two centers. Regarding audit matters, the adult education center reports to the adult and community education division within School Operations, while the senior high school reports to the North Region Office.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
1841	Flagami Elementary	14,787.72	19,796.49	23,155.27	11,428.94	2,332.10	9,096.84	-	11,428.94
2661	Kensington Park Elementary	13,231.09	245,074.88	246,052.49	12,253.48	8,137.28	4,116.20	-	12,253.48
3041	Lorah Park Elementary	15,642.90	11,387.38	10,907.69	16,122.59	1,900.17	14,222.42	-	16,122.59
5041	Silver Bluff Elementary	22,751.46	215,759.82	213,182.75	25,328.53	14,075.12	11,253.41	-	25,328.53
1681	Lillie C. Evans K-8 Center	10,788.16	10,134.24	12,563.63	8,358.77	3,475.15	4,883.62	-	8,358.77
5861	Dr. Henry W. Mack/West Little River K-8 Center	11,737.56	17,627.74	16,489.59	12,875.71	7,600.06	5,275.65	-	12,875.71
5101	John I. Smith K-8 Center	27,157.02	758,106.64	763,131.55	22,132.11	14,840.17	7,291.94	-	22,132.11
7056	Young Men's Preparatory Academy	27,013.41	34,373.00	29,891.63	31,494.78	1,721.85	29,772.93	-	31,494.78
South Region Office Schools									
0161	Avocado Elementary	11,561.13	49,559.83	49,685.59	11,435.37	3,172.86	8,262.51	-	11,435.37
0771	Dr. William A. Chapman Elementary	19,274.57	32,160.84	28,156.31	23,279.10	9,301.94	13,977.16	-	23,279.10
1281	Cypress Elementary	32,434.04	15,368.53	15,342.49	32,460.08	1,670.70	30,789.38	-	32,460.08
1371	Marjory S. Douglas Elementary	18,906.60	460,603.81	462,918.43	16,591.98	4,043.82	12,548.16	-	16,591.98

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
1811	Dante B. Fascell Elementary	27,420.28	160,230.25	160,440.60	27,209.93	1,816.99	25,392.94	-	27,209.93
4441	Pine Lake Elementary	8,041.21	10,832.07	16,445.25	2,428.03	1,999.70	428.33	-	2,428.03
2941	Laura C. Saunders Elementary	7,010.15	30,737.45	24,346.28	13,401.32	10,103.10	3,298.22	-	13,401.32
5421	Sunset Park Elementary	10,145.56	380,441.69	383,209.99	7,377.26	1,068.98	6,308.28	-	7,377.26
0451	Bowman Ashe/Doolin K-8 Academy	27,723.83	298,318.19	307,198.83	18,843.19	16,522.06	2,321.13	-	18,843.19
2701	Kenwood K-8 Center	14,953.74	383,307.28	382,205.08	16,055.94	5,546.91	10,509.03	-	16,055.94
Education Transformation Office (EIO) Schools									
4651	Ethel F. Beckford/Richmond Elementary	14,088.97	10,916.20	10,639.97	14,365.20	3,408.15	10,957.05	-	14,365.20
0361	Biscayne Gardens Elementary	15,179.31	51,434.00	51,014.95	15,598.36	2,391.06	13,207.30	-	15,598.36
0681	Carol City Elementary	26,024.85	11,831.84	14,372.54	23,484.15	14,948.18	8,535.97	-	23,484.15
4501	Poinciana Park Elementary	5,619.56	9,483.30	10,347.60	4,755.26	3,120.70	1,634.56	-	4,755.26
0073	Mandarin Lakes K-8 Academy	11,523.52	51,874.45	50,141.46	13,256.51	5,238.33	8,018.18	-	13,256.51
6061	Campbell Drive Middle***	24,918.18	36,293.54	61,211.72	-	-	-	-	-

Note:
*** Last Audit. School closed operations at the closing of the 2013-2014 fiscal year.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6361	Jose de Diego Middle	33,785.02	32,068.52	34,035.08	31,818.46	7,311.75	24,506.71	-	31,818.46
6251	Homestead Middle	20,423.18	36,530.39	39,255.09	17,698.48	960.41	16,738.07	-	17,698.48
6591	North Dade Middle	17,307.46	57,280.40	55,906.54	18,681.32	6,337.91	12,343.41	-	18,681.32
6631	North Miami Middle	32,914.79	50,276.49	50,500.42	32,690.86	19,610.80	13,080.06	-	32,690.86
7731	Miami Southridge Senior	97,309.20	397,852.55	381,646.04	113,515.71	19,687.53	93,828.18	-	113,515.71
7541	North Miami Beach Senior	166,221.80	419,146.58	402,023.24	183,345.14	39,387.31	143,957.83	-	183,345.14
Adult Education Centers									
7072	Coral Gables Adult Education Center	377,565.93	200,256.42	196,912.13	380,910.22	68,930.61	311,979.61	-	380,910.22
7272	Miami Coral Park Adult & Comm. Ed. Ctr.	233,644.91	282,955.29	276,295.10	240,305.10	101,663.16	138,641.94	-	240,305.10
7432	Miami Palmetto Adult & Comm. Ed. Ctr.	195,946.94	73,448.00	68,621.52	200,773.42	23,838.21	176,935.21	-	200,773.42
7512	Miami Springs Adult & Comm. Ed. Ctr.	271,795.81	239,435.71	245,196.58	266,034.94	26,479.17	239,555.77	-	266,034.94
7532	Miami Sunset Adult & Comm. Ed. Ctr.	124,344.96	215,302.21	220,161.40	119,485.77	22,626.03	96,859.74	-	119,485.77
TOTALS		\$ 3,913,150.03	\$11,207,423.93	\$ 11,218,630.69	\$ 3,901,943.27	\$ 830,090.91	\$ 3,071,852.36	\$ -	\$ 3,901,943.27

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2013 AND/OR JUNE 30, 2014**

AUDIT OPINION

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


Notwithstanding the conditions and findings reported herein, at 52 of the 53 schools reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school audited.

At Pine Lake Elementary School, due to the conditions cited in the report, which include the misappropriation of funds during the 2013-2014 fiscal year, as disclosed in the findings of the individual school audit report and in pages 49-52 of this report, the financial statement of the internal funds of the school does not fairly present the results of its operations, on the cash basis of accounting.

As of June 30, 2013, for 21 of the 53 schools reported herein, total combined receipts and disbursements amounted to \$7,167,861.14 and \$7,172,702.06, respectively; while total combined cash and investments amounted to \$3,228,227.86 (Pages 10-11). As of June 30, 2014, for all 53 schools reported herein, total combined receipts and disbursements amounted to \$11,207,423.93 and \$11,218,630.69, respectively; while total combined cash and investments amounted to \$3,901,943.27 (Pages 12-16).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at 52 of 53 schools generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools. At Pine Lake Elementary School, for the 2013-2014 fiscal year, as disclosed in the findings of the individual school audit report, the internal control structure at the school was not generally functioning as designed by the school administration.

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



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

INTERNAL CONTROLS RATING

The internal controls rating of the 11 schools reported herein **with audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools</u>							
John G. Dupuis Elementary		✓			✓		Likely to impact.
Linda Lentin K-8 Center		✓			✓		Likely to impact.
M. A. Milam K-8 Center		✓			✓		Likely to impact.
Hialeah Middle		✓			✓		Likely to impact.
Norland Middle		✓			✓		Likely to impact.
<u>South Region Office Schools</u>							
Pine Lake Elementary			✓			✓	Impacted operations.
Laura C. Saunders Elementary		✓			✓		Likely to impact.
<u>Education Transformation Office (ETO) Schools</u>							
Carol City Elementary		✓			✓		Likely to impact.
Poinciana Park Elementary		✓			✓		Likely to impact.
Miami Southridge Senior		✓			✓		Likely to impact.
North Miami Beach Senior		✓			✓		Likely to impact.

INTERNAL CONTROLS RATING

The internal control ratings for the remaining 42 schools reported herein **without audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools</u>							
Hibiscus Elementary	✓			✓			Not Likely to impact.
North Beach Elementary	✓			✓			Not Likely to impact.
North County K-8 Center	✓			✓			Not Likely to impact.
Hubert O. Sibley K-8 Academy	✓			✓			Not Likely to impact.
Palm Springs Middle	✓			✓			Not Likely to impact.
Hialeah-Miami Lakes Senior	✓			✓			Not Likely to impact.
Dr. Michael M. Krop Senior	✓			✓			Not Likely to impact.
MAST @ FIU Biscayne Bay Campus	✓			✓			Not Likely to impact.
Miami Beach Senior	✓			✓			Not Likely to impact.
Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	✓			✓			Not Likely to impact.
Miami Lakes Educational Center and Technical College (Sr. & Ad. Ed.)	✓			✓			Not Likely to impact.
<u>Central Region Office Schools</u>							
Broadmoor Elementary	✓			✓			Not Likely to impact.
Fairlawn Elementary	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Flagami Elementary	✓			✓			Not Likely to impact.
Kensington Park Elementary	✓			✓			Not Likely to impact.
Lorah Park Elementary	✓			✓			Not Likely to impact.
Silver Bluff Elementary	✓			✓			Not Likely to impact.
Lillie C. Evans K-8 Center	✓			✓			Not Likely to impact.
Dr. Henry W. Mack/West Little River K-8 Center	✓			✓			Not Likely to impact.
John I. Smith K-8 Center	✓			✓			Not Likely to impact.
Young Men's Preparatory Academy	✓			✓			Not Likely to impact.
<u>South Region Office Schools</u>							
Avocado Elementary	✓			✓			Not Likely to impact.
Dr. William A. Chapman Elementary	✓			✓			Not Likely to impact.
Cypress Elementary	✓			✓			Not Likely to impact.
Marjory S. Douglas Elementary	✓			✓			Not Likely to impact.
Dante B. Fascell Elementary	✓			✓			Not Likely to impact.
Sunset Park Elementary	✓			✓			Not Likely to impact.
Bowman Ashe/Doolin K-8 Academy	✓			✓			Not Likely to impact.
Kenwood K-8 Center	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Education Transformation Office (ETO) Schools</u>							
Ethel F. Beckford/Richmond Elementary	✓			✓			Not Likely to impact.
Biscayne Gardens Elementary	✓			✓			Not Likely to impact.
Mandarin Lakes K-8 Academy	✓			✓			Not Likely to impact.
Campbell Drive Middle	✓			✓			Not Likely to impact.
Jose de Diego Middle	✓			✓			Not Likely to impact.
Homestead Middle	✓			✓			Not Likely to impact.
North Dade Middle	✓			✓			Not Likely to impact.
North Miami Middle	✓			✓			Not Likely to impact.
<u>Adult Education Centers</u>							
Coral Gables Adult Education Center	✓			✓			Not Likely to impact.
Miami Coral Park Adult and Community Education Center	✓			✓			Not Likely to impact.
Miami Palmetto Adult and Community Education Center	✓			✓			Not Likely to impact.
Miami Springs Adult and Community Education Center	✓			✓			Not Likely to impact.
Miami Sunset Adult and Community Education Center	✓			✓			Not Likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the 11 schools reported herein **with audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Region Office Schools</u>					
1481	John G. Dupuis Elementary ^(a)	1	▪ Bookkeeping	None	
2911	Linda Lentin K-8 Center	1	▪ P-Card	None	
3421	M. A. Milam K-8 Center	1	▪ Payroll	None	
6231	Hialeah Middle	1	▪ FTE-ELL	None	
6571	Norland Middle	1	▪ Disposal of Equipment	None	
<u>South Region Office Schools</u>					
4441	Pine Lake Elementary ^(a)	1	▪ Misappropriation of Funds	None	
2941	Laura C. Saunders Elementary ^(b)	2	▪ Payroll and FTE-ELL	1	▪ Grants
<u>Education Transformation Office (ETO) Schools</u>					
0681	Carol City Elementary	2	▪ Bookkeeping and P-Card	None	
4501	Poinciana Park Elementary ^(c)	2	▪ P-Card and Payroll	None	
7731	Miami Southridge Senior	1	▪ Athletic/Fundraising Act.	None	
7541	North Miami Beach Senior	2	▪ P-Card and Payroll	None	
TOTAL		15		1	

Notes:

(a) Change of Principal at this school. Findings took place under tenure of former school administration.

(b) Change of Principal at this school. Findings from prior and part of current audit happened under tenure of former school administration. Payroll finding happened under tenure of current school administration.

(c) Change of Principal at this school. P-Card finding happened under tenure of former school administration. Payroll finding happened under tenure of current school administration.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the remaining 42 schools reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>North Region Office Schools</u>					
2401	Hibiscus Elementary	None		None	
3741	North Beach Elementary	None		None	
3821	North County K-8 Center	None		None	
5141	Hubert O. Sibley K-8 Academy	None		None	
6681	Palm Springs Middle	None		None	
7131	Hialeah-Miami Lakes Senior	None		None	
7141	Dr. Michael M. Krop Senior	None		1	▪ FTE-Gifted
7031	MAST @ FIU Biscayne Bay Campus	None		None	
7201	Miami Beach Senior	None		None	
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	None		None	
7391/8901	Miami Lakes Educational Center and Technical College (Sr. & Ad. Ed.)	None		None	
<u>Central Region Office Schools</u>					
0521	Broadmoor Elementary	None		None	

**SUMMARY SCHEDULE OF AUDIT FINDINGS
CURRENT AND PRIOR AUDIT PERIODS**

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
1801	Fairlawn Elementary	None		None	
1841	Flagami Elementary	None		None	
2661	Kensington Park Elementary	None		None	
3041	Lorah Park Elementary	None		None	
5041	Silver Bluff Elementary	None		None	
1681	Lillie C. Evans K-8 Center	None		None	
5861	Dr. Henry W. Mack/West Little River K-8 Center	None		None	
5101	John I. Smith K-8 Center	None		None	
7056	Young Men's Preparatory Academy	None		None	
<u>South Region Office Schools</u>					
0161	Avocado Elementary	None		None	
0771	Dr. William A. Chapman Elementary	None		None	
1281	Cypress Elementary	None		None	
1371	Marjory S. Douglas Elementary	None		None	
1811	Dante B. Fascell Elementary	None		None	
5421	Sunset Park Elementary	None		None	
0451	Bowman Ashe/Doolin K-8 Academy	None		None	

**SUMMARY SCHEDULE OF AUDIT FINDINGS
CURRENT AND PRIOR AUDIT PERIODS**

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
2701	Kenwood K-8 Center	None		None	
<u>Education Transformation Office (ETO) Schools</u>					
4651	Ethel F. Beckford/Richmond Elementary	None		None	
0361	Biscayne Gardens Elementary	None		None	
0073	Mandarin Lakes K-8 Academy	None		None	
6061	Campbell Drive Middle	None		None	
6361	Jose de Diego Middle	None		None	
6251	Homestead Middle	None		None	
6591	North Dade Middle	None		None	
6631	North Miami Middle	None		None	
<u>Adult Education Centers</u>					
7072	Coral Gables Adult Education Center	None		None	
7272	Miami Coral Park Adult and Community Education Center	None		None	
7432	Miami Palmetto Adult and Community Education Center	None		None	
7512	Miami Springs Adult and Community Education Center	None		None	
7532	Miami Sunset Adult and Community Education Center	None		None	
TOTAL		None		1	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the 11 schools **with audit exceptions**. The highlighted table cell represents the principal(s)/administrator(s) in charge of the school during the audit period and/or when audit exception(s) happened. Refer to *Notes* below for additional information:

Work Loc. No.	Schools	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools</u>			
1481	John G. Dupuis Elementary ^(a)	Ms. Lourdes M. Nuñez	Ms. Claudine Winsor (Through June 2014; presently Principal at James H. Bright/J. W. Johnson Elementary).
2911	Linda Lentin K-8 Center	Ms. Agenoria T. Powell	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.
6231	Hialeah Middle	Ms. Lourdes Diaz	N/A = No Change of Principal Since Prior Audit.
6571	Norland Middle	Mr. Ronald G. Redmon	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Schools</u>			
4441	Pine Lake Elementary ^(a)	Ms. Crystal C. Coffey	Dr. Carolyn L. McCalla (Through July 2014; on Special Assignment).
2941	Laura C. Saunders Elementary ^{(a)(b)}	Ms. Barbara J. Leveille-Brown	Ms. Margaret D. Ferrarone (Through June 2014; presently Principal at Dante B. Fascell Elementary).
<u>Education Transformation Office (ETO) Schools</u>			
0681	Carol City Elementary	Dr. Thalya Watkins	N/A = No Change of Principal Since Prior Audit.
4501	Poinciana Park Elementary ^{(a)(b)}	Dr. Amrita J. Prakash	Ms. Patricia L. Bloodworth (Through June 2014; resigned).
7731	Miami Southridge Senior	Ms. Bianca M. Calzadilla	N/A = No Change of Principal Since Prior Audit.
7541	North Miami Beach Senior	Mr. Randy A. Milliken	N/A = No Change of Principal Since Prior Audit.

Notes:

(a) Change of Principal since prior audit at this school (34 schools).

(b) Findings happened under prior and current school administrations. For specific details, refer to individual school findings in this report.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable for the remaining 42 schools **without audit exceptions**. The **highlighted table cell** represents the principal(s) in charge of the school during the audit period:

Work Loc. No.	Schools	Current Principal(s)	Former Principal(s)
<u>North Region Office Schools</u>			
2401	Hibiscus Elementary	Ms. Kim W. Cox	N/A = No Change of Principal Since Prior Audit.
3741	North Beach Elementary	Dr. Alice F. Quarles	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.
5141	Hubert O. Sibley K-8 Academy	Mr. Michael J. Charlot	N/A = No Change of Principal Since Prior Audit.
6681	Palm Springs Middle ^(a)	Mr. Leonard T. Torres	Mr. Eric Acosta (Through June 2014; presently Principal at Hialeah-Miami Lakes Sr.).
7131	Hialeah-Miami Lakes Senior ^(a)	Mr. Eric Acosta	Mr. Jose Bueno (Through June 2014; presently Admin. Director, North Region Office).
7141	Dr. Michael M. Krop Senior	Ms. Dawn M. Baglos	N/A = No Change of Principal Since Prior Audit.
7031	MAST @ FIU Biscayne Bay Campus ^(a)	Dr. Matthew J. Welker	Ms. Milagros R. Fornell, Acting Site Administrator (Through July 2014; retired).
7201	Miami Beach Senior	Mr. John J. Donohue	N/A = No Change of Principal Since Prior Audit.
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	Ms. Lisa B. Garcia	N/A = No Change of Principal Since Prior Audit.
7391/8901	Miami Lakes Educational Center and Technical College	Mr. James V. Parker	N/A = No Change of Principal Since Prior Audit.
<u>Central Region Office Schools</u>			
0521	Broadmoor Elementary ^(a)	Dr. Omar Riaz	Ms. Linda G. Klein (Through June 2014; retired).
1801	Fairlawn Elementary ^(a)	Ms. Heather D. Tyler	Ms. Amelia P. Leth (Through June 2014; presently Admin. Director, Central Region Office).

Note: (a) Change of Principal at this school (34 schools).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal(s)	Former Principal(s)
1841	Flagami Elementary ^(a)	Ms. Aileen Vega	Dr. Kathleen P. Caballero (Through June 2014; retired).
2661	Kensington Park Elementary ^(a)	Ms. Angeles Fleites	Mr. Genaro Navarro (Through June 2014; presently Principal at John I. Smith K-8 Center).
3041	Lorah Park Elementary ^(a)	Ms. Maria L. LaCavalla	Ms. Heather D. Tyler (Through June 2014; presently Principal at Fairlawn Elementary).
5041	Silver Bluff Elementary ^(a)	Ms. Zuyin C. Companioni	Ms. Maria C. Mason (Through September 2014; presently on leave).
1681	Lillie C. Evans K-8 Center ^(a)	Dr. Isolyn T. Hillhouse	Ms. Wanda R. Heidelberg (Through July 2014; retired).
5861	Dr. Henry W. Mack/West Little River K-8 Center ^(a)	Ms. Kimula D. Oce	Ms. Martha Z. Harris (Through June 2014; presently Admin. Director, Student Services).
5101	John I. Smith K-8 Center ^(a)	Mr. Genaro Navarro	Ms. Gwendolyn C. Hines (Through June 2014; retired).
7056	Young Men's Preparatory Academy ^(a)	Mr. Pierre R. Edouard	Mr. Leonard J. Ruan (Through July 2014; presently Admin. Director, South Region Office).
<u>South Region Office Schools</u>			
0161	Avocado Elementary ^(a)	Ms. Jacqua J. Little	Ms. Crystal C. Coffey (Through June 2014; presently Principal at Pine Lake Elementary).
0771	Dr. William A. Chapman Elementary ^(a)	Mr. Carzell J. Morris (return from leave)	Mr. Carzell J. Morris (Through May 2014; on leave) Ms. Michelle A. Bush (Through August 2014; presently Assistant Principal at Coconut Palm K-8 Center).
1281	Cypress Elementary ^(a)	Mr. Eduardo L. Alonso	Ms. Melanie L. Visnich (Through July 2014; presently on leave).
1371	Marjory S. Douglas Elementary ^(a)	Ms. Moraima Almeida-Perez	Mr. Rodolfo Rodriguez (Through June 2014; presently Principal at Kenwood K-8 Center).
1811	Dante B. Fascell Elementary ^(a)	Ms. Margaret D. Ferrarone	Mr. Allen N. Breeding III (Through June 2014; presently Principal at W. R. Thomas Middle).
5421	Sunset Park Elementary ^(a)	Ms. Wendy S. Hernandez	Ms. Sara N. Martin (Through June 2014; retired).
0451	Bowman Ashe/Doolin K-8 Academy ^(a)	Ms. Lisset Vazquez-Rios	Mr. Eliseo Hernandez (Through December 2013; resigned).

Note: (a) Change of Principal at this school (34 schools).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal(s)	Former Principal(s)
2701	Kenwood K-8 Center ^(a)	Mr. Rodolfo Rodriguez	Ms. Moraima Almeida-Perez (Through June 2014; presently Principal at Marjory S. Douglas Elementary).
<u>Education Transformation Office (ETO) Schools</u>			
4651	Ethel F. Beckford/Richmond Elementary ^(a)	Ms. Rachelle A. Surrancy	Ms. Jacqua J. Little (Through June 2014; presently Principal at Avocado Elementary).
0361	Biscayne Gardens Elementary ^(a)	Ms. Deborah G. Riera	Ms. Maria L. LaCavalla (Through July 2014; presently Principal at Lorah Park Elementary).
0073	Mandarin Lakes K-8 Academy ^(a)	Mr. Kenneth L. Williams	Ms. Angeles Fleites (Through July 2014; presently Principal at Kensington Park El.).
6061	Campbell Drive Middle	N/A=School Closed Effective June 2014.	Mr. Paul Pfeiffer (Through December 2013; presently Principal at Cutler Bay Academy of Advanced Studies Cutler Ridge Campus Mr. Eduardo L. Alonso (Through June 2014; presently Principal at Cypress Elementary).
6361	Jose de Diego Middle ^(a)	Dr. April Thompson-Williams	Mr. Yaset Fernandez (Through February 2014; presently Admin. Director, ETO).
6251	Homestead Middle ^(a)	Mr. Keith A. Anderson	Ms. Rachelle A. Surrancy (Through June 2014; presently Principal at Ethel F. Beckford/Richmond Elementary).
6591	North Dade Middle ^(a)	Mr. Fabrice Laguerre	Dr. Tonya S. Dillard (Through June 2014; presently Principal at Nathan Young El.).
6631	North Miami Middle ^(a)	Mr. Patrick Lacouty	Mr. Alberto Iber (Through June 2014; presently Principal at No. Miami Sr.).
<u>Adult Education Centers</u>			
7072	Coral Gables Adult Education Center ^(a)	Ms. Tracie M. McCullough, Vice Principal	Dr. Barbara T. Hawkins (Through June 2014; presently Principal at Miami Palmetto Adult and Community Education Center).
7272	Miami Coral Park Adult and Community Education Center	Mr. Robert D. Novak	N/A = No Change of Principal Since Prior Audit.
7432	Miami Palmetto Adult and Community Education Center ^(a)	Dr. Barbara T. Hawkins	Ms. Eunice C. Soto (Through June 2014; retired).
7512	Miami Springs Adult and Community Education Center	Mr. Miguel Veloso	N/A = No Change of Principal Since Prior Audit.
7532	Miami Sunset Adult and Community Education Center	Mr. Julian Cazañas Jr.	N/A = No Change of Principal Since Prior Audit.

Note: (1) Change of Principal at this school (34 schools).

PROPERTY SCHEDULES

The results of the property inventories of the 61 schools reported herein are as follows:

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>North Region Office Schools</u>								
0321	Biscayne Elementary ^(a)	209	\$ 383,450	-	-	-	-	-
1481	John G. Dupuis Elementary	120	346,180	-	-	-	-	-
2401	Hibiscus Elementary	130	262,209	-	-	-	-	-
3741	North Beach Elementary	117	276,945	-	-	-	-	-
5131	No. Dade Ctr. For Modern Lang. El. ^(a)	55	121,337	-	-	-	-	-
3981	North Twin Lakes Elementary ^(a)	150	333,774	-	-	-	-	-
4281	Palm Springs North Elementary ^(a)	153	490,842	-	-	-	-	-
4301	Parkview Elementary ^(a)	48	153,925	-	-	-	-	-
5021	Ben Sheppard Elementary ^(a)	238	490,162	-	-	-	-	-
0092	Norman S. Edelcup/Sunny Isles Beach K-8 ^(a)	197	576,712	-	-	-	-	-
5005	David Lawrence, Jr. K-8 Center ^(a)	610	1,032,164	-	-	-	-	-
2911	Linda Lentin K-8 Center	243	552,269	-	-	-	-	-
3421	M. A. Milam K-8 Center	307	599,064	-	-	-	-	-
3581	Myrtle Grove K-8 Center ^(a)	103	221,210	-	-	-	-	-
3821	North County K-8 Center	118	195,867	-	-	-	-	-
5141	Hubert O. Sibley K-8 Academy	115	267,302	-	-	-	-	-
6161	Lawton Chiles Middle ^(a)	818	1,447,786	-	-	-	-	-
6611	Country Club Middle ^(a)	383	833,821	-	-	-	-	-
6231	Hialeah Middle	299	749,861	-	-	-	-	-
6571	Norland Middle	313	735,406	-	-	-	-	-

Note: (a) Property inventory results pending since last report in September 2014 (14 schools).

PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6681	Palm Springs Middle	485	1,014,831	-	-	-	-	-
7751	Barbara Goleman Senior ^(a)	938	2,210,082	-	-	-	-	-
7191	Hialeah Gardens Senior ^(a)	655	2,237,998	-	-	-	-	-
7131	Hialeah-Miami Lakes Senior	584	1,805,552	-	-	-	-	-
7141	Dr. Michael M. Krop Senior	642	1,833,041	-	-	-	-	-
7291	Jose Marti MAST 6-12 Academy ^(a)	422	1,058,015	-	-	-	-	-
7031	MAST @ FIU Biscayne Bay Campus ^(b)							
7201	Miami Beach Senior	585	1,855,512	-	-	-	-	-
7048	Alonzo & Tracy Mourning Senior High Biscayne Bay Campus	342	1,285,549	-	-	-	-	-
7391	Miami Lakes Ed. Ctr. & Technical College (Sr.) ^(c)	438	1,302,696	-	-	-	-	-
8901	Miami Lakes Ed. Ctr. & Technical College (Ad. Ed.) ^(c)	1,046	5,298,882	-	-	-	-	-
<u>Central Region Office Schools</u>								
0521	Broadmoor Elementary	59	153,851	-	-	-	-	-
1801	Fairlawn Elementary	88	224,941	-	-	-	-	-
1841	Flagami Elementary	140	304,861	-	-	-	-	-
2661	Kensington Park Elementary	168	507,285	-	-	-	-	-
3041	Lorah Park Elementary	94	200,168	-	-	-	-	-
5041	Silver Bluff Elementary	139	313,507	-	-	-	-	-
1681	Lillie C. Evans K-8 Center	123	368,893	-	-	-	-	-
5861	Dr. Henry W. Mack/West Little River K-8 Center	160	336,742	-	-	-	-	-
5101	John I. Smith K-8 Center	336	762,396	-	-	-	-	-
7056	Young Men's Preparatory Academy	165	638,394	-	-	-	-	-

Notes: (a) Property inventory results pending since last report in September 2014 (14 schools).

(b) New school. At present, an inventory of equipment items with an individual cost of \$1,000 or more is not assigned to this school.

(c) At Miami Lakes Ed. Center and Tech. College, the senior high school and adult education center report to the same Principal but maintain separate records. The school is reported as one school audit for the two centers.

PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>South Region Office Schools</u>								
0161	Avocado Elementary School	269	475,482	-	-	-	-	-
0771	Dr. William A. Chapman Elementary	191	294,073	-	-	-	-	-
1281	Cypress Elementary	112	244,891	-	-	-	-	-
1371	Marjory S. Douglas Elementary	112	361,107	-	-	-	-	-
1811	Dante B. Fascell Elementary	191	482,627	-	-	-	-	-
4441	Pine Lake Elementary	134	349,272	-	-	-	-	-
2941	Laura C. Saunders Elementary	217	462,461	-	-	-	1	\$ 1,225
5421	Sunset Park Elementary	89	256,739	-	-	-	-	-
0451	Bowman Ashe/Doolin K-8 Academy	403	1,111,635	-	-	-	-	-
2701	Kenwood K-8 Center	220	495,887	-	-	-	-	-
<u>Education Transformation Office Schools</u>								
4651	Ethel F. Beckford/Richmond El.	75	193,114	-	-	-	-	-
0361	Biscayne Gardens Elementary	137	308,249	1	\$ 1,004	\$ 313	-	-
0681	Carol City Elementary	145	292,341	1	2,799	0	-	-
4501	Poinciana Park Elementary	151	343,209	-	-	-	-	-
0073	Mandarin Lakes K-8 Center	190	645,203	-	-	-	-	-
6061	Campbell Drive Middle ^(d)	207	543,962	-	-	-	-	-
6361	Jose de Diego Middle	308	811,120	-	-	-	-	-
6251	Homestead Middle	353	758,449	-	-	-	-	-
6591	North Dade Middle	256	781,625	3	3,578	0	-	-
6631	North Miami Middle	238	545,605	-	-	-	4	4,829

Note: (d) Last property inventory for this location (1 school).

PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7731	Miami Southridge Senior	766	1,733,118	-	-	-	-	-
7541	North Miami Beach Senior	582	1,371,411	-	-	-	-	-
<u>Adult Education Centers</u>								
7072	Coral Gables Adult Ed Center ^(e)							
7272	Miami Coral Park Adult & Comm. Ed. Ctr. ^(e)							
7432	Miami Palmetto Senior Adult & Comm. Ed. Ctr. ^(e)							
7512	Miami Springs Senior Adult & Comm. Ed. Ctr. ^(e)							
7532	Miami Sunset Senior Adult & Comm. Ed. Ctr. ^(e)							
TOTAL		17,681	\$ 46,645,062	5	\$ 7,381	\$ 313	5	\$ 6,054

Note: (e) Property inventory results to be conducted later in 2014-2015 Fiscal Year, at the time the high schools where they are housed at are inventoried (5 adult ed. centers).

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	
<u>North Region Office Schools</u>						
5861	Dr. Henry Mack/West Little River K-8 Center	1	8	\$ 8,792	\$ 8,792	\$ 7,600
6161	Lawton Chiles Middle	1	2	3,084	3,084	0
6631	North Miami Middle	1	1	1,100	1,100	0
<u>Central Region Office Schools</u>						
1841	Flagami Elementary	1	1	1,705	1,705	0
5041	Silver Bluff Elementary	1	1	1,024	1,024	232
TOTAL		5	13	\$ 15,705	\$ 15,705	\$ 7,832

FINDINGS AND RECOMMENDATIONS

1. Inadequate Controls Over The Bookkeeping Function Disclosed Delays In The Posting Of Disbursements And Other Financial Transactions *John G. Dupuis Elementary*

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* establishes the guidelines for the posting of transactions to the automated system related to the checking account. These transactions relate to the recording of interest, bank charges/credits, and similar transactions associated with the checking account. The *Manual* also delineates timelines that must be observed when processing school checks that remain outstanding in the bank reconciliations for a period of time. According to the guidelines, once the check is issued, it **must** be posted into the system.

During the prior audit we noted a condition similar to the matter that follows and discussed it with the former school administration on March 1, 2013, for their information and follow-up. There was a change of Principal at this school effective July 2014.

Our audit follow up consisted of the review of all of bank reconciliations corresponding to the period of April 2013 through June 2014. We continued to identify delays in the posting of transactions. Specifically, we identified 11 checks dated between April 2013 and April 2014 totaling approximately \$3,660 that were not posted to the system in a timely manner. Posting delays ranged from 14 to 60 days; and all these checks had cleared the bank before they were posted to the system. In addition, we noted that several electronic transfers of funds received by the school from the issuance of vending commissions, miscellaneous charges related to the bank account, and minor bookkeeping errors were not cleared from the reconciliation in a timely manner.

It is important to note that reconciling transactions, revenues and disbursements not timely posted and carried over for one or several months in the bank reconciliations as adjusting entries not only clutter the reconciliation process and the reports, but may overstate/understate reported revenues and disbursements, and prevent reflecting an accurate checking account balance in the system.

RECOMMENDATIONS

- 1.1. Review bookkeeping procedures with the Bookkeeper to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing the related transactions.**

- 1.2. **Direct the Bookkeeper to post the transactions in a timely manner and discuss any adjusting entries during the month-end account reconciliation to ensure they are timely posted going forward.**
- 1.3. **Request assistance from the Division of Internal Funds Accounting in the Office of the Controller if additional training on the posting of transactions is required.**

Person(s) Responsible: **Principal and Secretary/Treasurer**

Management Response:

The Principal has reviewed the guidelines as stated in the Manual of Internal Fund Accounting with the Secretary/Treasurer to ensure her understanding and responsibilities regarding bookkeeping procedures.

The Principal will meet with the Secretary/Treasurer on a bi-weekly basis to review all transaction postings to ensure they are completed in a timely manner. If there are any posting delays identified during the periodic review, they will be discussed immediately with the Secretary/Treasurer for timely resolution.

The Principal, along with the Secretary/Treasurer will request assistance from the Division of Internal Funds Accounting in the Office of the Controller as needed.

Person(s) Responsible: **North Region Office Administration**

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The plan encompasses thoroughly reviewing the District procedures outlined in the Manual of Internal Fund Accounting for posting transactions in a timely manner and to develop and implement a system to ensure compliance with District policy.

In addition, the Principal has been instructed to meet with Secretary/Treasurer on a regular basis to review all transaction postings to ensure timely completion and request assistance from the Region or the Division of Internal Funds Accounting in the Office of the Controller if additional training or assistance on the posting of transactions is required.

Person(s) Responsible:

School Operations Administration

Management Response:

The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Directors on mini-reviews conducted in selected areas of Property Management (including Disposal of Equipment), Procurement Credit Card, Payroll, ELL Student Records and Internal Funds. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Principals' Summer Institute Professional Development.

**2. Inadequate Controls
Over Purchasing Credit
Card Program Purchases
Resulted In Documentation
That Was Incomplete And
Non-Compliant With
Bid Requirements
*Linda Lentin K-8 Center***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction. Regarding the requirements for documentation supporting a charge, an itemized invoice must be obtained from the vendor and the signature of the individual who received the merchandise/services must be affixed to the invoice to indicate acknowledgement of receipt of goods or services.

Regarding the individual purchases, pursuant to School Board Policy 6320 *Purchasing*, all purchases for non-bid items of \$1,000 or more but less than or equal to \$50,000 require three (3) quotations must be solicited, and if possible, at least one of these quotations must be from a Minority/Women Business Enterprise. The quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected. In addition, work locations are prohibited from splitting purchases, through separate consecutive transactions in order to bypass the \$3,000 single transaction limit or the \$1,000 threshold for bidding procedures.

We sampled P-Card monthly reconciliations and subsidiary records on file for the 2013-2014 fiscal year and July 2014. Our review disclosed that the documentation supporting the charges was incomplete in that original invoices were not obtained/filed; and signatures denoting receipt of goods was missing from several of the documents. In addition, for some of these purchases, we determined that the spending pattern is suggestive of split purchases to circumvent the \$1,000 threshold established for bidding procedures. Details follow:

- 2.1. In 19 instances, the invoice supporting the charge was not signed to indicate that goods/services had been received at the school. Total charges amounted to approximately \$9,750.
- 2.2. In 17 instances, a packing list/slip or a quote was used in lieu a formal invoice to document the purchase. Total charges amounted to \$6,240.
- 2.3. The P-Card statement for November 2013 listed a charge on November 8 totaling \$1,348 related to the repair of several equipment items. The charge was documented with a total of five separate invoices ranging from \$40 to \$349.99

each (four dated on October 25 and one on September 24), and some consecutively numbered. In addition, the statement for December 2013 listed two charges from another vendor totaling \$1,011 for musical equipment and accessories. In both instances, vendor quotations were not on file. On the last day of the audit visit, and after requested by the auditors, the school provided *vendor quotations for one of these purchases.*

RECOMMENDATIONS

- 2.1. The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 2.2. The school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.**
- 2.3. The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotation, one of which must be from a certified minority enterprise; and 2) the lowest quotation is selected.**

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

Management Response:

The Principal has discussed the guidelines and requirements as stated in the Purchasing Credit Card Program Policies & Procedures Manual and has strengthened her review over disbursements made with the P-Card to ensure the compliance with District Policy. The Principal will review all disbursements with the Secretary/Treasurer on a bi-weekly basis.

The Principal has strengthened protocol between Administration and the Secretary/Treasurer so each P-Card purchase order is verified against the packing slip, attached to the original invoice. Once the content of the purchases have been checked for accuracy, the original invoice will be signed. The Principal directed staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.

The Principal will meet on an as need basis (purchase of \$1,000.00 or more) with the Secretary/Treasurer to review and enforce the bid requirements which include: verification of items on bid with the Procurement Management Office and maintain/attach the emails to verify that at least one vendor quote is from a certified minority enterprise.

The Secretary/Treasurer will provide the documentation of three written vendor quotes to the Principal and must receive administrative written and dated authorization before any purchases are made.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The plan encompasses a thorough review of the guidelines and requirements as stated in the Purchasing Credit Card Program Policies and Procedures Manual to strengthen the system in place for reviewing disbursements made with the P-Card.

In addition, the Principal has been instructed to strengthen the tracking of purchases, with the Secretary/Treasurer, from initiation through completion of payment including verifying the packing slip against P-Card purchase orders, attaching original invoices and signing original invoices.

Furthermore, the Principal has been instructed to meet with the Secretary/Treasurer on a regular basis to review bid requirements which include verifying items on bid with the Procurement Management Office and ensuring three written vendor quotations – one being from a certified minority enterprise are secured prior to making purchases.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Linda Lentin K-8 Center.

**3. Inadequate Recordkeeping
And Documenting Of Payroll
Attendance
M. A. Milam K-8 Center**

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 (DAS) 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. According to payroll sign-in procedures, full-time and part-time employees must reflect their attendance in the DAS by noting their initials (full-time) upon arrival; or the time in/out (part-time) upon arrival/departure.

At this school, the Principal supervises and approves the payroll. We reviewed the Daily Payroll Attendance Sheets (DAS) in effect at the time of our initial visit in late May/early June 2014 and noted that employees were not always following the proper procedures to indicate their daily attendance on the Daily Payroll Attendance Sheets. Specifically, staff inconsistently recorded their daily attendance on the rosters; or recorded their attendance on the rosters ahead of their scheduled days/hours. We brought this matter to the attention of the school administration for their information and follow-up.

We re-visited the school during August 2014 and our follow-up to the payroll conditions previously noted disclosed a significant improvement in the recording of attendance (when compared to the results from our earlier observations); however, a few employees continued to record their attendance ahead of schedule. Once more, we discussed the matter with the school administration. Details of our findings follow:

- 3.1. Our initial observation of payroll required that we review the payroll sign-in procedures over the course several days (from May 27 to June 3, 2014). Over this time period, we observed many instances where full-time and part-time employees had not indicated their presence on the Daily Payroll Attendance Sheets on a daily basis. Specifically, instances included employees that were not recording their attendance, as well as employees that were recording their attendance *after-the-fact*. We brought this matter to the attention of the school administration who attested in writing that the employees in question were at work or had worked the days when the discrepancies were observed. Regarding discrepancies with the recording of full-time attendance, we observed a total 156 instances of non-compliance for 66 employees.
- 3.2 We similarly observed instances where part-time *employees had signed on the attendance rosters ahead of their scheduled time*. Regarding discrepancies with the recording of part-time attendance, we observed a total of 13 instances for 9 employees.

- 3.3. In eight instances, six full-time employees had indicated their presence on the roster; and the payroll clerk had marked *Temporary Duty* or *Holiday* over the employee's initials.

RECOMMENDATIONS

- 3.1. **At the beginning of the school year and as often as needed, the school administration should discuss with staff the proper procedures for recording payroll for understanding and awareness; and should direct them to comply with the procedures.**
- 3.2. **The school administration should direct the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow procedure.**
- 3.3. **The school administration should review the sign in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and should discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.**

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

Management Response:

The Principal has reviewed the Payroll Processing Procedures Manual and Payroll Highlights with the Payroll Clerk and all faculty and staff members to ensure understanding and responsibilities regarding proper recordkeeping and documenting of payroll attendance.

The Principal and Payroll Clerk are monitoring the Payroll Attendance Sheets on a regular basis to ensure that employees are not signing in ahead of their scheduled time, but rather when they report to work and exit work.

The Principal has reviewed with the faculty, as well as with other full-time employees, that they are not to sign the Payroll Attendance Sheets on holidays or when they participating in a Temporary Duty assignment.

The Principal will continue to review the payroll procedures with employees on a regular basis and will review the sign-in sheets periodically to make sure that all procedures established by the District are implemented with fidelity and in a timely manner.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal will thoroughly review the Payroll Processing Procedures Manual with the Payroll Clerk and all faculty and staff members. The Principal and the Payroll Clerk will develop a systematic approach for properly maintaining payroll procedures. The Principal will review the Payroll Sign-In Roster and verify that the daily payroll corresponds with actual employee attendance.

In addition, the Principal has been instructed to review the payroll procedures with employees on a regular basis and continue to periodically review the sign-in sheets to ensure all procedures established by the District are implemented with fidelity and in a timely manner.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of M. A. Milam K-8 Center.

**4. School Non-Compliant With
FTE-ELL Student Records
Resulted In Potential FTE
Funding Disallowances
*Hialeah Middle***

For the 2013-2014 school year, guidelines and procedures for maintaining ELL student information were provided through the 2013-2014 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 (ELL)*.

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

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an English Language Learner or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and *must be dated prior to the corresponding FTE survey period*.

During the February 2014 FTE Survey⁴ records, the school reported 175 students enrolled in the ESOL program.

A review of a sample of 18 ELL student folders disclosed errors/discrepancies in 17 student folders (95%). The aggregate errors/discrepancies could have generated a funding disallowance to the District totaling approximately \$4,070. Details are as follows:

⁴ FTE Survey in February is otherwise referred to as FTE Survey Period 3. FTE Survey Period 3 happened during the week of February 10-14, 2014.

- 4.1. In seven instances, the Individual ELL/LEP Student Plan [FM-4649] was not properly completed. Specifically, the discrepancies related to the Plan not signed and dated or dated prior to the date that the student entered the program. In one other instance, a Plan was not evident in the student file.
- 4.2. In eight instances, the printout of the student schedule for middle grade students was dated *subsequent* to the FTE survey period; while in six other instances the student schedule on file was not dated.
- 4.3. In six instances, a student was enrolled in the ESOL program for more than six semesters; however, it was not documented in the Plan that a committee had met to assess the student's progress. In addition, for two of these students whose ESOL program anniversary dates were between October and February, the documentation on file did not demonstrate that the students had been assessed to determine if they should continue participating in the ESOL Program.

RECOMMENDATION

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

Person(s) Responsible:

**Principal, Assistant Principal,
School Registrar and ESOL Staff**

Management Response:

The Principal has reviewed the Opening of School Year Information, the Division of Bilingual Education and World Languages Memoranda, and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the School Registrar to ensure understanding and responsibilities regarding the maintenance of FTE-ELL Student Records.

The Principal will monitor the proper and timely completion of all documents in the ESOL Program Record folder, inclusive of the Individual ELL/LEP Student Plan [FM-4650], the printout of the students' schedules from the Integrated Student Information System (ISIS), and evidence of the convening of LEP Committees for students enrolled in the ESOL Program for six semesters or more to ensure that all information is accurate and complete.

The Principal along with the Assistant Principal and ESOL staff will request assistance from the Division of Bilingual Education and World Languages on an as-needed basis.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal was instructed to thoroughly review the Division of Bilingual Education and World Languages Memoranda and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the Registrar.

The Principal has been instructed to monitor the proper and timely completion of all documents on a regular basis in the ESOL Program Record folder, inclusive of Individual ELL/LEP Student Plans, the printout of the students' schedules from the Integrated Student Information System (ISIS) and evidence of the convening of a LEP Committee for students enrolled in the ESOL Program for six semesters or more.

Furthermore, the Region will coordinate District assistance from the Division of Bilingual Education for the Principal and staff on an as needed basis.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Hialeah Middle.

**5. School Site Procedures
For The Disposal
Of Equipment Not
Compliant With
Board Policy
*Norland Middle***

According to School Board Policy 7310 *Disposition of Surplus Property*, 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 equipment items for disposal as junk or salvage shall be assigned to Stores and Mail Distribution (S&MD) warehouses which will be the sole processor of the disposal of said equipment.

During the 2013-2014 fiscal year, we found an instance where the school did not follow established procedures for the disposal of School Board-owned equipment. Details follow:

- 5.1. Based on an explanation provided by the Principal, the school owned photography equipment that was no longer used at the school since the Photography Program was closed several years ago, and the instructor in charge of the Photography Program was no longer employed at the school. However, this individual was currently employed at a private school; and the private school was interested in obtaining the equipment. Both schools agreed on a price and on October 21, 2013 the private school paid this school \$3,000 in exchange for said equipment (a private sale). There was an invoice on file, reportedly prepared by the private school, to document/justify the reason for the payment. Upon receipt of payment, Norland Middle deposited it in the internal funds of the school and posted the revenue to the Internal Funds-General Fund-Miscellaneous account. According to the Principal, the school planned to use the revenue toward incentives and student recognition.

Pursuant to current guidelines addressing the disposal of School Board owned equipment, this private sale does not comport with the School Board policy *which requires the involvement of Stores and Mail Distribution (S&MD) in the disposal/sale of property*. The school was unable to provide any written approval for not having engaged S&MD in this transaction. We contacted the administration S&MD and received confirmation that they were not involved, notified or contacted regarding this sale transaction.

- 5.2. Items sold included developing trays, enlarging easels, a 35 mm proof printer, a motor base agitator, exposure meter, camera lenses, clock, timers, canister tops, microscopes and related photographic equipment. We were unable to determine the original cost of the equipment because the items were not tagged for

inventory control purposes, and it was not documented how the items were initially obtained; the vendor(s) was(were) unknown; the equipment was no longer at the premises to determine its present condition; and its apparent age⁵ precluded us from tracing the equipment to the originating invoice(s), purchase order(s) or related ancillary documentation.

RECOMMENDATIONS

- 5.1. Ensure that staff and school administration, particularly those in charge of property management, understand and are fully aware of the procedures for accounting and disposing of property; and strengthen the management and controls over property belonging to the school.**
- 5.2. Going forward, ensure that Stores and Mail Distribution is engaged when disposing of equipment no longer in use at the school and maintain on file appropriate documentation of approval/disposal.**

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

Management Response:

The Principal has reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* and the Property Control Procedures Manual with the Assistant Principal and Secretary/Treasurer to ensure their understanding and responsibilities regarding the procedures for accounting and disposing of property.

The Principal will meet with the Assistant Principal and Secretary/Treasurer on a quarterly basis to verify that all property items assigned to the school are properly accounted for.

This Principal will ensure that when the school desires to dispose of property that is obsolete or serves no useful function at the school, the school will contact the Stores and Mail Distribution's Warehouse to assist in removing such items according to Board policy.

Person(s) Responsible: North Region Office Administration

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected

⁵ According to the Principal, the equipment was purchased several years ago (between 1988 and 1994).

staff. The Principal will thoroughly review the guidelines as stated in the Property Control Procedures Manual with the Assistant Principal and Secretary/Treasurer.

The Principal has been instructed to meet with the Assistant Principal and Secretary/Treasurer on a quarterly basis to verify that all property items assigned to the school are accounted for. The Principal will ensure that when the school desires to dispose of property that is obsolete or serves no useful function at the school, the school will contact the Region or Stores and Mail Distribution's Warehouse to assist in removing the property according to Board policy.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Norland Middle.

**6. Inadequate Controls
Over Bookkeeping
Function Led To
Misappropriation Of
Funds
*Pine Lake Elementary***

On May 27, 2014, the Office of the Controller and the former Principal of Pine Lake Elementary communicated to our office certain discrepancies in the financial activity of the internal funds of the school. Specifically, the General Fund-School Pictures account showed a deficit balance of \$(1,239), which the former Bookkeeper attempted to “correct” by making an unauthorized transfer of funds from a field trip account totaling \$1,141.

During our audit investigation, our review of the records for the 2013-2014 fiscal year disclosed that cash collections totaling \$7,361 could not be traced to internal funds’ deposit packages or to the bank account. These collections stemmed from the sale of school pictures (\$2,031) and from the sale of student admissions to a banquet and to an out-of-county field trip (\$5,330). Evidence gathered during the audit pointed to the former Bookkeeper as the last person with custody of the funds before they went missing. We attempted to discuss the matter with her; however, she refused to meet with us. The incident was referred to M-DCPS Police and the State Attorney’s Office and at the present time, the case is at the State Attorney’s Office pending final resolution. As a result of the misappropriation and the unauthorized transfer of funds, the field trip account closed the year with a deficit balance of \$(5,105) after all vendors were paid.

Further details of our findings follow:

School Pictures

According to the photographer’s invoice dated January 24, 2014, the school held photography sessions on November 18, 2013 and December 16, 2013. The photographer’s invoice itemized the number of picture packages and individual package prices; and listed the amount of pictures sales that, based on the packages invoiced, should have been collected by the school (\$2,110). The amount due to the photographer was \$1,321 (which represented 60 percent of the pictures sales plus sales tax). Our review of all account postings and deposits for the fiscal year 2013-2014 up to the end of May 2014 disclosed that the former Bookkeeper had not posted and had not deposited any collections related to the sale of school pictures during that time or in subsequent months until April 2014. At that time, the former Bookkeeper paid the photographer and posted the payment to the account; however, the account turned negative due to a lack of funds. This deficit balance and the former Bookkeeper’s attempt to cover it by transferring funds from another account is what triggered the investigation. At the school, we found the photographer’s receipts completed by the

former Bookkeeper which closely approximated the amounts and packages invoiced by the photographer. Based on the photographer's receipts prepared by the former Bookkeeper, the shortfall from the sale of school pictures amounted to \$2,031.

Year-End Activities: Out of County Field Trip and Luncheon

The school conducted a year-end activity for Fifth Grade students. This consisted of a field trip to a park in Orlando, Florida, and a luncheon at a local venue. Admission to the field trip was \$100 per student, while admission to the banquet was \$30 per student. Based on student participation, we projected revenues from these activities totaling \$5,000 and \$1,800; respectively for a grand total of \$6,800. According to school records, collections from both activities were posted in the same field trip account.

At the time of the incident, the former Bookkeeper had issued individual receipts to students totaling \$4,700 for the field trip collections and \$1,710 for the banquet collections for a total of \$6,410; however, she had only posted and deposited \$1,080 of this total for a shortfall of \$5,330. We calculated an additional discrepancy of \$390 between our projected amount (\$6,800) and the amount receipted by the former Bookkeeper (\$6,410); however, we determined that the difference represented payments that were pending from a few students. These were received from the students after the incident, and subsequently deposited in the bank and posted to the account.

In addition to the misappropriation, we noted instances where collections were deposited late. Delays ranged between two weeks and a month; thus suggesting that the former Bookkeeper was withholding some of these funds for personal use. These deposit delays were not only noted in the collections associated with the year-end activities; but in one other instance corresponding to a separate field trip where \$610 cash collected in early February was not posted until payment to the vendor was due at the end of the month.

Procedures for Receipting Collections Under Control of Former Bookkeeper

During the audit, we verified that field trip and banquet collections were documented with Official Teacher's receipts, while school picture collections were documented with receipts furnished by the photographer. All these documents were completed and signed by the former Bookkeeper and located in the school records.

Receipting Procedures when Monies Exchanged Hands Not Followed

Pursuant to guidelines in Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, individual collections of \$15 or more require the issuance of an official receipt *at the point of collection*. Furthermore, when an official receipt book is used, staff must staple the computer-generated receipt produced by the system to the copy of the last receipt in the book that corresponds to the collection submitted.

During the audit, we found that the process for collecting the funds consisted of the teachers bringing the monies collected from the students to the former Bookkeeper's office. The former Bookkeeper would write the individual receipts, which she would hand back to the teachers for distribution to the students; however, a computer-generated receipt produced by the system was never stapled to the copy of the last receipt in the official receipt book that corresponded to the collection submitted since the collections were not posted to the system and the teachers would not request proof of posting.

Procedures for Depositing Collections Under Control of Former Bookkeeper

Regarding the deposit of funds, *the former Bookkeeper was solely responsible for preparing the deposit package and taking the deposit to the bank.*

RECOMMENDATIONS

- 6.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.**
- 6.2. Discuss the bookkeeping procedures with the new Bookkeeper to ensure understanding of the expectations of the job.**
- 6.3. Direct the new Bookkeeper to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and ensure that teachers are given copy of the MSAF receipt when turning in collections.**
- 6.4. Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify the collections in addition to the Bookkeeper.**
- 6.5. Reverse the \$1,141 transfer of funds from the General Fund-Miscellaneous account to the Trust Fund-Field Trips 5 account to restore receipts to the proper account.**

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

Management Response:

The newly assigned Principal hired a new Treasurer. On August 7, 2004, the Principal met with the new Treasurer and discussed the implementation of bookkeeping and record keeping procedures to ensure that there is a clear understanding of the expectations of the job and audit findings. Specifically, the Principal reviewed Section II, Chapter 2 of the *Manual of Internal Fund Accounting* with the Treasurer and directed

the Treasurer to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books and provide teachers a copy of the MSAF receipt when turning in collections.

On November 4, 2014, the Principal met with staff to discuss district policies and procedures for the collection of monies. Proper use of Employee (BPI) Receipts (FM-0976) were discussed with staff school wide to ensure their understanding of the receipting process and staff was directed to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.

The Principal directed all clerical staff members to immediately deliver the unopened bank statements and financial documents to the Principal for review.

The Principal assigned an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited and directed the administrator to verify collections in addition to the Bookkeeper.

A transfer of funds to reverse \$1,141 from the General Fund-Miscellaneous account to the Trust Fund-Field Trips 5 account to restore receipts to the proper account was made on October 31, 2014.

Person(s) Responsible: **South Region Office Administration**

Management Response:

The South Region Center Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer to thoroughly review the *Manual of Internal Fund Accounting* to ensure compliance with the respective policies and procedures.

The Principal was instructed to meet regularly with the Internal Funds Business Manager to ensure compliance with established procedures.

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

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Pine Lake Elementary.

7. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll
Laura C. Saunders Elementary

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.

Procedures require that part-time and full-time employees reflect their attendance in the attendance rosters by noting their initials (full-time) or the time in/out (part-time).

Regarding leave, full-time employees must complete leave cards to support the leave taken; and the leave cards must be signed by the employee and an administrator. In the event of temporary duty leave, a leave card must be filed if a full-time teacher requires substitute coverage. In those instances where a full-time teacher is present at the school and substitute coverage is required, a memorandum of explanation justifying the reason for the substitute coverage is required.

Payroll procedures delineate the requirements for completing the *Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets* [FM-7090]. According to the instructions, in addition to the temporary instructors signing in/out on a daily basis in the attendance roster, the payroll clerk must note in the rosters whether the temporary instructor attended a full day or half day, and must also record the accounting structure from which the employee is being paid.

At this school, the Principal supervises and approves the payroll. We reviewed the Daily Payroll Attendance Sheets for three pay periods in August, September and October 2014 and the pay period in effect at the time of the audit visit in September/October 2014 under the tenure of the current school administration. We noted discrepancies as follows:

- 7.1. Our initial observation of payroll required that we review the payroll sign-in procedures over the course of several days (from October 1 to October 6, 2014). Over this time period, we noticed that several part-time employees, who were at work or had worked, *had signed in/out on the rosters ahead of their scheduled time*. The discrepancies represented a total of 44 instances for 15 part-time employees.

- 7.2. In 44 instances, full-time and part-time employees, as well as temporary instructors, did not indicate their attendance on the Daily Payroll Attendance Sheets and were paid. Some of these instances occurred on the last day of the pay period. According to the Principal, the employees were present on the days in question.
- 7.3. In 11 instances, leave cards were not properly completed or not evident.

At the start of the 2014-2015 school year, the school opened with a number of open instructional positions. Temporary instructors who worked at the school were eventually hired to fill the open positions. During this period of transition, we noted the following errors in the documenting and reporting of payroll:

- 7.4. For all three pay periods reviewed, the *Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets* [FM-7090] were not properly completed. We noted that temporary instructors (substitutes) were signing in/out on the *Daily Payroll Attendance Sheets* for full-time instructional staff instead of recording their attendance in Form [FM-7090]. The payroll clerk would transfer the information to Form [FM-7090]; however, the information did not always agree.

RECOMMENDATIONS

To ensure that payroll is properly recorded, reported and documented, we make the following recommendations to the new Principal:

- 7.1. **Review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and completion of leave cards.**
- 7.2. **Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.**
- 7.3. **Periodically review the sign in sheets of staff and hourly paid employees to ensure that employees are signing in/out in a timely manner.**

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

Management Response:

In review of the findings and recommendations reported, the Principal has taken immediate action to enforce proper procedures and ensure the adequate documenting, recordkeeping and reporting of payroll.

Specifically, the Principal met with the faculty and staff on November 5, 2014, to review the appropriate procedure for signing in and out. Additionally the Principal met with the Assistant Principal and the Payroll Clerk on October 30, 2014, to review the *Payroll Processing Procedures Manual*.

Furthermore, a procedure was established for the careful review of the Daily Payroll Attendance Sheets by both the Payroll Clerk and the Principal or Designee. All payroll sheets will be randomly reviewed by the Principal and/or Payroll Clerk after the start of the regular work day and at various times. Employees will be notified immediately via email should a discrepancy in procedure is found. Additionally, employees will be notified via memorandum in the event that the discrepancies are noted during biweekly payroll processing. A Payroll Discrepancy binder is being maintained to determine and record the frequency of repeated discrepancies.

The Principal met with the Payroll Clerk on October 29, 2014, and directed her to use the Temporary Instructors & Paraprofessionals Substitutes Daily Payroll Attendance Sheets (FM-7090) for temporary instructors. In addition, the Principal also directed the Payroll Clerk that all temporary instructors must sign in/out on a daily basis in the attendance roster, the payroll clerk must note in the rosters whether the temporary instructor attended a full day or half day, and must also record the accounting structure from which the employee is being paid. Faculty/Staff also received an email on signing in on the Daily Payroll Attendance Sheets, and the documentation of leave cards.

Person(s) Responsible: South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.

The Financial/Business Operations Director will conduct quarterly site-reviews to ensure compliance with all the guidelines found in the *Payroll Processing Procedures Manual* to make sure that the daily and hourly payrolls are accurate.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Laura C. Saunders Elementary.

**8. School Non-Compliant With
FTE-ELL Student Records
Resulted In Potential FTE
Funding Disallowances
*Laura C. Saunders Elementary***

For the 2013-2014 school year, guidelines and procedures for maintaining ELL student information were provided through the 2013-2014 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 (ELL)*.

According to the guidelines, 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's cumulative folder. A Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP Committee convened annually to assess adequate progress, and include an evaluation of such assessment in writing. Pursuant to State Rule 6A-6.09022 *Extension of Services in English for Speakers of Other Languages (ESOL) Program*, the ELL Committee's consideration as to whether a student is an English Language Learner or not must be similarly documented based on a minimum of two criteria or rationale, which is specified in this rule.

Parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6576] must be properly completed, dated and filed in the ESOL Program Record folder.

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

During the February 2014 FTE Survey⁶ records, the school reported 230 students enrolled in the ESOL program.

⁶ FTE Survey in February is otherwise referred to as FTE Survey Period 3. FTE Survey Period 3 happened during the week of February 10-14, 2014.

A review of a sample of 23 ELL student folders disclosed errors/discrepancies in *all* student folders (100%). The aggregate errors/discrepancies could have generated a funding disallowance to the District totaling approximately \$1,860. Details follow:

- 8.1. In 20 instances, the Individual ELL/LEP Student Plan [FM-4649] was not evident in the files. For the three remaining students sampled, the Plan was not properly completed in that it was not signed and dated by the ESOL teacher/designee.
- 8.2. In 19 instances, the *Notice to Parents/Guardians of English Language Learners (ELL)* [FM-6576] letter was not evident in the LEP folder.
- 8.3. In 7 instances, the student file did not contain adequate support to document that the ELL Committee had convened to consider extended ESOL placement for the student.
- 8.4. In 4 instances, there was no evidence of the 2013 CELLA test in the student file.

RECOMMENDATION

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

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

Management Response:

In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal requested professional development for the Assistant Principal and the ESOL Teacher through the support of the Bilingual Education and World Languages Department.

The Principal provided a copy and reviewed the 2013-2014 Opening of Schools Guidelines and Procedures and the District Plan for Services to English Language Learners (ELL) with the Assistant Principal and the ESOL Teacher on October 31st, 2014.

The Principal held an ELL compliance meeting on November 3, 2014, with all Administrative, Instructional and Clerical Personnel responsible for ELL documentation to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

A mentor teacher from another school has been assigned to the ESOL Teacher to assist with guidance and questions. The ESOL Teacher will visit the mentor teacher on November 7, 2014 to review various compliance documents and strategies to ensure all guidelines are met.

The Principal advised the Assistant Principal, ESOL Teacher, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP Plans are dated appropriately. Furthermore, the team was instructed to review the cumulative folders of all ELL students to ensure that the plans are available in the cumulative folders. Furthermore, the team was instructed to review the ELL/LEP Plans with focused attention on detail and accuracy.

The ESOL Teacher will receive an attendance bulletin on a daily basis to monitor the entry of possible LEP students and ensure the date of entry and the participation documents are accurate. Reports available in the portal under the Limited English Proficient link, as well as, possible LEP errors reports available in Control-D are reviewed and/or printed on a monthly basis to monitor the LEP students and their status.

The Principal will continue to monitor the documentation of ELL student documentation. The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual.

Person(s) Responsible: **South Region Office Administration**

Management Response:

The South Region Office Financial/Business Operations Director instructed the Principal to attend the FTE training when offered by the District.

The Financial/Business Operations Director requested assistance from the Office of Bilingual Education and World Languages to provide training to appropriate staff regarding the proper maintenance of the ELL/LEP plans. Additionally, The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program.

Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 36 of this report and page 123 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Laura C. Saunders Elementary.

**9. Inadequate Controls Over
The Bookkeeping Function
Resulted In The Loss
Of Revenue
*Carol City Elementary***

Pursuant to Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, although the Principal is ultimately responsible for monitoring and administering the revenue generated from Internal Fund activities, the school Bookkeeper is the designated person for receiving, recording and depositing all funds collected, as well as maintaining records for internal fund transactions processed. As the designee for the bookkeeping of these funds, the Bookkeeper is responsible for bringing to the attention of the Principal any associated matters that require follow-up and resolution.

- 9.1. At this school, in August 2014, while searching for some financial records in the Bookkeeper's office, the current Principal discovered that the Bookkeeper retained in a drawer six checks totaling \$3,367.50 that had not been deposited in the school's checking account. These checks, which ranged from \$66.50 to \$1,500 were issued to the school by third parties *between June 2012 and May 2013*, prior to the tenure of the current Principal. Immediately upon this discovery, the administration from the Education Transformation Office contacted our office and requested an audit.

Our review disclosed that all checks represented awards/donations. Of the six, the school had received a replacement check for the largest check, or \$1,500, *two years after initially issued*. Regarding the second largest check for \$1,000, the third party issued a replacement check; *however, it was not sent to this school but to another location where the recipient of the award was presently working*. According to the third party, they made several attempts to contact and alert the school of the outstanding check; however, the school never provided a response. Ultimately, the third party contacted the instructor responsible for generating the award (who was working under a similar program at another district location), and the awarded funds were sent to that location to utilize in the purchase of supplies for the program.

As for the remaining four checks totaling \$867.50, we reviewed the accounts and confirmed with the appropriate third parties *that replacement checks were never requested and/or issued to the school*. When questioned as to the reason for not depositing the checks, the Bookkeeper stated that, for three of these checks totaling \$801, she was supposed to follow up certain matters with the associated third parties before depositing the funds in the bank; however, she forgot to follow up and the checks became stale-dated. Regarding the two large checks and the smallest check for \$66.50, she claimed that those were later found in a box left by the former Principal; however, the current Principal was not informed. Furthermore, in regards to the \$1,500 check that was initially issued back in June

2012, we confirmed with the appropriate third party that they had contacted the school several times to resolve it, *and it took issuing two additional replacement checks before the school finally deposited the funds in June 2014.*

During the audit, we contacted all third parties involved to confirm the status of these checks and requested a replacement check on behalf of the school, if one had not been issued.

Other Non-Compliant Bookkeeping Matters-Oversight of Dormant Accounts, Utilization of Purchase Orders and Documentation of Journal Voucher Transactions

Section V, Chapter 2 of the *Manual* refers to the *Fiscal Year's Closing Instructions Memorandum* issued by the Internal Fund Accounting Section via *Weekly Briefing* No. 15619 dated May 1, 2014. In the memorandum, schools are instructed to close any inactive accounts when no financial activity is posted for the past two fiscal years. Going back to the *Manual*, Section II, Chapter 4 establishes that before an order/purchase is made, the use of an Internal Fund Purchase Order [FM-1012], authorized by the Principal and processed by the Bookkeeper is required for *all* purchases of \$100 or more. Furthermore, when financial transactions related to the transfer of funds between accounts, posting corrections, voiding entries and ancillary transactions of the checking and investment accounts are recorded in the system, *Section II, Chapter 7* provides that a *Check Requisition/Journal Voucher (JV) Transfer* [FM-0992] form *must be completed and submitted to the Principal for approval.*

Our review of the records for the 2013-2014 fiscal year disclosed the following departure from established bookkeeping procedures:

- 9.2. Regarding inactive accounts, our review of the financial statement and account activity for the fiscal year disclosed that three accounts from the Trust Fund amounting to approximately \$860 remained dormant during the year. Regarding disbursement documentation, we noted several instances where an Internal Fund Purchase Order [FM-1012] was not used to encumber funds for purchases of \$100 or more. Lastly, during the fiscal year under audit, the school processed close to 50 journal voucher transactions in the system to record ancillary transactions such as the posting of interest, a few posting corrections and the transfer of funds between accounts; however, [FM-0992] was not completed for the majority of these transactions to document that the Principal had reviewed and approved these transactions.

RECOMMENDATIONS

- 9.1. **The Principal should direct staff to deliver all financial correspondence to the Principal for initial review, before the correspondence is delivered to the Bookkeeper.**

- 9.2. The Principal should direct the Bookkeeper to bring to the Principal's attention any concerns/issues/questions/problems related to the internal funds of the school, especially those that require follow up.
- 9.3. The Principal should direct the Bookkeeper to fully implement use of forms [FM-1012] and [FM-0992] to document the review and approval of these transactions.
- 9.4. The Principal should periodically review the internal funds records to strengthen control over the bookkeeping of the funds and the financial records.
- 9.5. The Bookkeeper (under the supervision of the Principal) should follow-up with the appropriate parties regarding possible replacement checks and bring to the attention of the Principal any issues that require administrative decision-making/follow-up.
- 9.6. Going forward, the Principal should periodically review the accounts and make a determination as to the future use of these funds, if no activity is foreseen during the current year. *However, because the inactive accounts correspond to grants and donations carried over from prior years, before making any transfers or using these funds for purposes other than those initially intended, the school should contact the donor/grantor for written approval; and ultimately, the ETO administration and administration from the Internal Funds Accounting Division for further determination and guidance.*

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

Management Response:

The Principal has instructed the School's Treasurer and other clerical staff who disburse the daily mail and all billing correspondence to be delivered directly to the Principal for initial review. In the absence of the Principal, the Designee will perform the initial review prior to giving it to the Treasurer.

The Principal met with the Treasurer and the Assistant Principal to thoroughly review and discuss Section II, Chapter 2 of the Manual of Internal Fund Accounting regarding the bookkeeping of funds. The Treasurer was directed to bring to the attention of the Principal any bookkeeping issues that need follow up. Issues like third party checks received and uncertain where to post; donation letters missing, or similar issues noted in the finding related to third party checks will be brought to the Principal's attention for guidance and resolution. The Principal and Treasurer will meet at the end of each month to review the Monthly Financial Reports and Bank Reconciliation. Any

adjustment of entries that have not been processed on a timely basis will be addressed by the Principal for immediate corrective action.

The Principal instructed the Treasurer and the Designee to use {FM-1012} as evidence of following internal funds procedures when requesting approval for a potential purchase and paying for purchase as delineated in Section 4 of the Manual of Internal Fund Accounting. The Principal met with the Treasurer to review the Fiscal Year Closing instructions which provides the instructions regarding inactive accounts. Periodically, the Principal will review all account balances with the Treasurer to monitor financial activity and activity/inactivity in the accounts.

The Principal instructed the Treasurer and the Designee to ensure that (FM-0092) is completed prior to posting any transfers of funds to ensure the approval of the Principal. These will be periodically reviewed.

The school was pending replacement of checks totaling \$867.50. Subsequent to the audit, funds in the amount of \$567.50 were recovered. A system has been established to review all grants and donations. The Principal will continue to monitor all grants and donations on a monthly basis to ensure adherence to procedures. A spreadsheet will be used to maintain these procedures, and the Treasurer will maintain this document. The Principal will review and make required corrections immediately.

Three dormant accounts with leftover balances totaling \$860.00 will be used immediately.

Person(s) Responsible:

ETO Administration

Management Response:

- The ETO Region Office Administrative Director directed the Principal to review the Manual of Internal Funds Accounting and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

**10. Inadequate Controls
Over The Purchasing
Credit Card Program
Resulted In Documentation
That Was Incomplete And
Non-Compliant With
P-Card Transaction Limits
And Bid Requirements
*Carol City Elementary***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for managing the use of the credit card (P-Card). According to the procedures, credit cards are issued to purchase authorized goods and services individually costing less than \$3,000. General P-Card procedures require that a *Purchasing Card Program Purchase Authorization Form* [FM-5707] be completed, signed by the Principal/designee before a purchase is made and filed to document approval. Regarding documentation of the charge, an itemized invoice must be obtained from the vendor and the signature of the individual who received the merchandise/services must be affixed to the invoice to indicate acknowledgement of receipt of goods or services.

Regarding the individual purchases, pursuant to School Board Policy 6320 *Purchasing*, all purchases for non-bid items of \$1,000 or more but less than or equal to \$50,000 require three (3) quotations must be solicited, and if possible, at least one of these quotations must be from a Minority/Women Business Enterprise. The quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected. In addition, work locations are prohibited from splitting purchases, through separate consecutive transactions in order to bypass the \$3,000 single transaction limit or the \$1,000 threshold for bidding procedures.

We sampled P-Card monthly reconciliations and subsidiary records on file for the 2013-2014 fiscal year and July 2014. Our review disclosed the following discrepancies:

- 10.1. The P-Card statements for August 2013 and September 2013 listed five separate charges totaling \$4,984 that were made to the same vendor for the purchase of various types of toner cartridges. The school did not obtain vendor quotations and we confirmed with the Division of Procurement Management that this vendor was not one of the vendors approved on a current District bid for printer consumables (such as toner). Each individual charge (between \$994 and \$999), made approximately four to ten days apart, amounted to slightly less than the \$1,000 threshold established for requiring quotations. Two of the charges were made in August 2013, while three were made in September 2013. Although transactions were not consecutive and different types of toner were purchased, this spending pattern suggests the splitting of purchases to circumvent both the

\$3,000 single P-Card transaction limit and the \$1,000 threshold established for competitive negotiation procedures.

- 10.2. In 14 instances, the invoice supporting the charge was not signed to acknowledge the receipt of goods at the school. Charges amounted to approximately \$7,460.
- 10.3. In six instances, documentation other than a formal invoice was on file to document the purchase; or the invoice was obtained after-the-fact. Charges amounted to approximately \$2,220.
- 10.4. In six instances, the required *Purchasing Card Program Purchase Authorization* form [FM-5707] was not on file to denote the approval of the Principal. Charges amounted to approximately \$4,860.

RECOMMENDATIONS

- 10.1. **The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with P-Card documentation and purchasing requirements.**
- 10.2. **Staff should be reminded that the splitting of purchases to circumvent single transaction limits and purchasing thresholds for requiring quotations/bids is strictly prohibited.**

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

Management Response:

The Principal met with the Treasurer and the Assistant Principal to thoroughly review and discuss the *Purchasing Card Program Policies and Procedures Manual* which establishes the procedures for credit card purchases. The Principal directed the Treasurer to file all documents related to the credit card consisting of all properly completed Purchase Authorization Forms signed by the Principal and original itemized invoices, signed for acknowledgement of receipt of goods to document each charge. The documents will be reviewed during the monthly reconciliation process to discuss any discrepancies and implement corrective action.

The Principal directed the Treasurer to contact the Division of Procurement Management and the Office of Economic Opportunity to provide assistance with potential authorized vendors when planning to purchase using the credit card.

Emphasis was made to the requirement that all purchases 1,000.00 or more require 3 quotes to be obtained, and if possible, at least one (1) of these vendors shall be a Minority/Women Business Enterprise. Documentation of these quotes and vendor information will be filed in the credit card files as support for the purchase.

Staff was reminded that the splitting of orders to circumvent bidding procedures is not allowed. Prior to approving any credit card charge the Principal will discuss it with the Treasurer to ensure that orders are not split to circumvent the general purchasing procedures.

Person(s) Responsible:

ETO Administration

Management Response:

- The ETO Region Office Administrative Director directed the Principal to review the Purchasing Credit Card Policies & Procedures Manual and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place for making purchases with the credit card.

**11. Inadequate Controls
Over Purchasing Credit
Card Program Resulted
In Documentation That
Was Incomplete And
Non-Compliant With
District Policy
*Poinciana Park Elementary***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction. General P-Card procedures require that, prior to placing an order with a vendor a *Purchasing Card Program Purchase Authorization Form* [FM-5707] must be completed, signed by the Principal/designee and filed to document approval. Regarding documentation of the actual charge, an itemized invoice must be obtained from the vendor and the signature of the individual who received the merchandise/services must be affixed to the invoice to indicate acknowledgement of receipt of goods or services.

We sampled P-Card monthly reconciliations and subsidiary records on file for the 2013-2014 fiscal year, under the tenure of the former school administration. Our review disclosed that the documentation supporting the charges was incomplete. Specifically, we noted the following discrepancies:

- 11.1. In 34 instances, the invoice supporting the charge was not signed to indicate that goods/services had been received at the school. Total charges amounted to approximately \$9,400.
- 11.2. In nine instances, an invoice to document the purchase was not filed with the records. Charges amounted to approximately \$1,000. In addition, in five instances, credits for items returned were not supported with any documentation from the vendor. Those charges amounted to approximately \$750.
- 11.3. In four instances, purchases did not have an authorization form [FM-5707] on file to document approval for making the purchase. Total charges amounted to approximately \$600.

RECOMMENDATIONS

- 11.1. The new school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements.
- 11.2. The new school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order. Similarly, the school administration should direct staff to complete [FM-5707], present them to the Principal for approval and file them with the rest of the P-Card records.
- 11.3. Strengthen the review over P-Card documentation to ensure compliance with District Policy.

Person(s) Responsible:

Principal and Secretary/Treasurer

Management Response:

The Principal has taken immediate corrective action, which included meeting with the Secretary/Treasurer to review audit findings on Monday, October 27, 2014. The Principal and Secretary/Treasurer reviewed the Purchasing Credit Card Policies and Procedures Manual, School Board Policy 6320-Purchasing and School Board Policy 6424-Purchasing Cards. Additionally, the Principal recently attended P-Card for Administrators training.

In accordance with guidelines of the Purchasing Credit Card Policies and Procedures Manual and under the direct supervision of the Principal, the Secretary/Treasurer will be responsible for maintaining an accurate running record of all accounts and what was purchased. The Principal will ensure that all paperwork is signed; forms are completed and filed correctly to indicate that goods/services have been received and that payment is in order. The Principal will meet with the Secretary/Treasurer on a bi weekly basis to monitor all paperwork, including a review of invoices to ensure they include appropriate signatures.

Person(s) Responsible:

ETO Administration

Management Response:

- The ETO Region Office Administrative Director directed the Principal to review the *Purchasing Credit Card Policies & Procedures Manual* and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place for making purchases with the credit card.

**12. Inadequate Recordkeeping,
Documenting, And
Reporting Of Payroll
*Poinciana Park Elementary***

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.

General payroll procedures require that part-time and full-time employees reflect their attendance in the attendance rosters by noting their initials (full-time) or the time in/out (part-time).

Payroll procedures delineate the requirements for completing the *Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets* [FM-7090]. According to the instructions, in addition to the temporary instructors signing in/out on a daily basis in the attendance roster, the payroll clerk must note in the rosters whether the temporary instructor attended a full day or half day, and must also record the accounting structure from which the employee is being paid.

Regarding leave, full-time employees must complete leave cards to support the leave taken; and the leave cards must be signed by the employee and an administrator. In the event of temporary duty leave, a leave card must be filed if a full-time teacher requires substitute coverage. In those instances where a full-time teacher is present at the school and substitute coverage is required, a memorandum of explanation justifying the reason for the substitute coverage is required.

At this school, the Assistant Principal supervises and approves the payroll with oversight from the Principal. We reviewed three payrolls reported in August and September 2014 under the new school administration and noted the following discrepancies:

- 12.1. In nine instances, full-time employees did not indicate their attendance on the Daily Payroll Attendance Sheets and were paid. *Most of these instances occurred on the last day of the pay period.* According to the Assistant Principal, the employees were present on the days in question.

- 12.2. For all three pay periods reviewed, the *Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets* [FM-7090] were not properly completed. Specifically, full or half-days as well as the funding structure from which the substitute was being paid were not indicated in the attendance rosters. In addition, several payroll corrections made by the payroll clerk associated with these rosters prior to the audit visit were not filed in the payroll folders. At the time of the audit, the payroll clerk was not certain if all corrections had been made. Consequently, additional time and effort was required to verify that all payroll corrections had been processed prior to our visit.
- 12.3. In six instances, leave cards were not signed by the employee and/or the administrator in charge of approving the payroll.
- 12.4. In two instances, the payroll reported for a full-time employee and a temporary instructor did not agree with the days reported on daily payroll attendance sheets. Both employees were underpaid one day. Payroll corrections were made at the request of the auditor.

RECOMMENDATIONS

To ensure that payroll is properly recorded, reported and documented, we make the following recommendations to the new Principal:

- 12.1. **Review with staff the recording of attendance on the Daily Payroll Attendance Sheets and the completion of leave cards to ensure that payroll records are properly completed.**
- 12.2. **Direct the payroll clerk to enter all necessary information on the *Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets* related to the name of the absent employee, the employee number and the payroll's funding structure.**
- 12.3. **Direct the payroll clerk to file payroll corrections with the payroll records.**
- 12.4. **Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.**

Person(s) Responsible: Principal, Assistant Principaol and Payroll Clerk

Management Response:

The Principal has taken immediate corrective action, which included meeting with the Assistant Principal and Payroll Clerk to review audit findings on Monday, October 27, 2014. The Principal, Assistant Principal and Secretary/Treasurer reviewed the Payroll Processing Procedures Manual and School Board Policy 6510-Payroll Authorization.

The Principal, Assistant Principal and Payroll Clerk have reviewed procedures for recording daily attendance on the Payroll Attendance Sheets and completing leave cards with accuracy to ensure that payroll records are properly completed. Under the supervision of the Principal and in accordance with guidelines of the Payroll Processing Procedures Manual, the Assistant Principal will be responsible for overseeing the payroll clerk's daily operation and ensuring that all necessary information on the *Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets* is completed accurately.

The Principal directed the Treasurer to file all payroll corrections in the folder of the payroll for which the corrections were made.

The Assistant Principal and Payroll Clerk will request assistance from the District's Payroll Department to ensure that proper payroll procedures are being observed. In addition, the Assistant Principal and Payroll Clerk will complete a Payroll Approval Checklist during every pay period. The Principal will review and monitor Payroll Checklists to ensure accuracy, completeness and propriety of the reporting procedures.

Person(s) Responsible: ETO Administration

Management Response:

- The ETO Region Office Administrative Director directed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll documentation; and to implement a set of procedures for reviewing the payroll documentation to ensure that the payroll reported is accurate and the supporting documentation is appropriate, complete, and filed in the school records.

**13. Staff's Non-Compliance With Disbursement Guidelines, Fundraising Guidelines And Discrepancies In Athletic Ticket Sales Resulted In Investigations Of Staff Members And Losses To The School
*Miami Southridge Senior***

At this school, the Principal reported two incidents that were investigated during the 2012-2013 and 2013-2014 fiscal years by the Civilian Investigative Unit (CIU) of this office. Both incidents related to school staff that allegedly made purchases of athletic wear and fundraising items without obtaining the proper approvals. In addition to these incidents, at the request of the Principal, there was another investigation conducted by audit staff regarding discrepancies in the revenues generated from the sale of athletic game tickets during the 2012-2013 fiscal year. These athletic activities were under the financial oversight of a former Athletic Director and Athletic Business Manager.

All investigations noted above have concluded at this time. While results were inconclusive for the first CIU investigation related to several unauthorized purchases of athletic wear (because of conflicting information and insufficient evidence), the school had to bear responsibility for some of the liabilities incurred and pay vendors from the internal funds of the school approximately \$12,500. Regarding the second CIU investigation, the former sponsor of the activity paid for the cost of the fundraising items, or approximately \$2,160. Regarding the results of the audit investigation, the former Athletic Business Manager admitted responsibility for the monetary shortfall of approximately \$950 discovered by us, which resulted in the employee's suspension from work without pay for several days and garnishment from his bi-weekly wages to reconstitute the funds⁷.

At present, staff changes in the affected areas have been made, the school hired a new Athletic Director and Athletic Business Manager; and all vendor-related liabilities have been cleared. Details of our findings follow:

CIU Investigation Regarding Unauthorized Purchases of Athletic Wear

Section II, Chapter 4 of the *Manual of Internal Fund Accounting* states that before an order/purchase is made, the use of an internal funds purchase order [FM-1012] authorized by the Principal, and processed by the Treasurer is required for all purchases of merchandise/services costing \$100 or more. Also according to the

⁷ At the time of this publication, the employee has paid the amount in full.

Manual, purchases in violation of this policy will be considered *unauthorized* and will become the sole responsibility of the person making the purchase.

- 13.1. According to details of the investigation in 2013, numerous telephone calls from vendors alerted the Principal that staff from the Athletic Department had been placing orders with vendors for uniforms for the football program and other athletic gear without her knowledge or consent. It appears that several orders were placed with the vendors during June and July 2012 amounting to approximately \$30,000. Vendors had attempted to contact the school's former Athletic Director several times; however, the former Athletic Director did not respond. The investigation was unable to identify the individual(s) responsible for the orders because of conflicting information provided by the vendors and staff; and lack of documentary evidence, such as approved purchase orders. However, the school was required to pay \$12,588 to satisfy part of the debt. The remainder of the debt was either forgiven by the vendors or paid by a booster club/third party.
- 13.2. At the beginning of the 2012-2013 fiscal year, the balance of the Athletic Fund was approximately \$2,900 and not sufficient to cover the outstanding debt, or \$12,558. In order to pay the debt in full and operate the Athletic Program, the school contacted the Greater Miami Athletic Conference⁸ to formally request a \$15,000 non-interest bearing loan⁹ from the Dade County Athletic Equalization Fund¹⁰, which the school received in August 2013.

⁸ The Greater Miami Athletic Conference (GMAC), in cooperation with the Florida High School Activities Association (FHSAA), regulates and promotes interscholastic athletic activities among membership of all public and non-public high schools. Its purpose is to protect the interests of the high schools belonging to this conference, to promote pure, amateur sports, and to foster such other activities as the organization may decide to sponsor. It also trains and provides officials for the athletic events. The GMAC is administered by the Executive Committee that consisted of various school system employees, most of whom are principals.

⁹ According to the terms, the \$15,000 loan is payable in annual installments of \$5,000 for the next three fiscal years. The school made its first installment payment in agreement with established timelines on May 7, 2014.

¹⁰ The Dade County Athletic Equalization Fund (Equalization Fund) was established to aid the athletic programs at senior high schools in financial distress. To assure the viability of this Fund, schools are required to repay amounts borrowed, for which no interest is charged. At the present time, the GMAC's Executive Secretary serves as the trustee of the funds with oversight from the Assistant Superintendent, School Operations in charge of Athletics/Activities. The funds were maintained in a Trust Fund account within the Internal Funds of GMAC. Internal Funds housed at GMAC, including the funds from the Equalization Fund, are audited by our office.

Fundraising Items Associated With Cheerleading Activities

In addition to the procedures for authorizing disbursements (Section II, Chapter 4 of the *Manual*), Section IV, Chapter 2 of the *Manual* establishes that fundraising activities conducted at the school must be authorized by the Principal. In addition, it requires the sponsor of the activity to obtain administrative approval for purchases of fundraising items via an Internal Purchase Order, to receipt collections derived from the sale of fundraising items, and to turn such collections to the Treasurer for deposit in the internal funds of the school.

- 13.3. In 2014, the Principal reported an incident regarding the former sponsor of the Cheerleaders, which was investigated by the Civilian Investigative Unit. A vendor had contacted the Principal requesting payment for fundraising items purchased in November 2012, which consisted of discount coupon books. According to the investigation, the Principal had not approved such fundraiser and there was no record of any such activity in the Activity Log; however, the merchandise had been received at the school. Cash funds had been collected by the sponsor from the students but not deposited in the school's accounts. According to the former sponsor, she used the collections to buy jackets for the students and pay a portion of the fundraising items. Also, according to the former sponsor and most of the students interviewed, the coupon books did not sell well and some of the books distributed to the students had not been returned. During the investigation, the sponsor paid the vendor the outstanding debt, or \$2,154.

This sponsor received an Official Teachers' Receipt Book [FM-0976] containing 100 receipts to document collections from fundraisers associated with her club; however, she never returned the book. Of that receipt book, we could only trace to the deposits 37 of the 100 receipts. Consequently, we were unable to verify the usage of the missing receipts; or whether all collections receipted by the former sponsor had been deposited. During our audit, we reviewed other activities associated with this sponsor and nothing came to our attention to indicate that monies from these associated activities were missing or not accounted for in the school's accounts.

Audit Investigation Regarding Inventory of Athletic Tickets for the 2012-2013 Fiscal Year

According to Section III.D of the *Interscholastic Athletic Manual*, the Athletic Business Manager is accountable for the total sales value of all athletic admission tickets. According to the procedures, at the end of the school year, after the completion of ticket sales, the Athletic Business Manager prepares an inventory of all unused athletic admission (game) tickets. Upon completion of the inventory, audit

staff visits the school to verify the inventory. In addition to the inventory, the game reports must be available as well as the unused tickets for re-count and verification by the auditors.

- 13.4. Subsequent to the investigation associated with the unauthorized purchases, in July 2013, the school hired a new Athletic Director and Athletic Business Manager. Upon their arrival and with the approval of the Principal, the new Athletic Business Manager contacted our office to report discrepancies with the athletic ticket inventory, and to inform us that game reports for the 2012-2013 fiscal year could not be located. These were later located and provided to us.

Our audit investigation disclosed a \$942 shortfall in the revenues collected and deposited in the school's internal fund account from the sale of athletic tickets associated with two particular games that took place during the 2012-2013 fiscal year. We interviewed the former Athletic Business Manager regarding the discrepancy. During the interview, he admitted responsibility for the monetary discrepancies since he signed off on the game reports associated with these shortages; however, he would not admit to a misappropriation of funds. This case was referred to the Miami-Dade School Police Department, who found probable cause, and ultimately resulted in administrative disciplinary action, as previously noted.

Our follow-up to the ticket inventory and game reports for the 2013-2014 fiscal year prepared by the new Athletic Department staff disclosed no discrepancies.

RECOMMENDATIONS

- 13.1. **Ensure that staff understands and adheres to process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4 and Section IV, Chapter 2 of the *Manual*.**
- 13.2. **Enforce with vendors and staff the practice that no orders of goods/merchandise/services shall be placed with vendors without a duly approved purchase order and a contact name; and provided funds are available in the corresponding account to cover the expenditure.**
- 13.3. **Discuss with staff that any orders not approved by the school may be subject to staff paying for the merchandise from personal funds.**
- 13.4. **Discuss with staff that the receipt of goods/merchandise at the school site is restricted to goods/merchandise ordered by the school for**

school-related purposes for which the school is financially responsible. To clearly delineate responsibility, booster clubs and third parties should not be receiving merchandise at the school, or purchase merchandise using the school's name.

13.5. Ensure that the loan from the Equalization Fund is paid in full and following the stipulated timelines for the installments payments pending at this time.

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

Management Response:

Miami Southridge Senior High and the Principal have implemented the following corrective actions to ensure all internal fund accounts and fundraising procedures are properly maintained and adhered to. At the beginning of each school year, during the opening of schools meeting, the faculty and staff are presented by the appropriate personnel with information, resources, and materials as it relates to athletics and fundraising procedures. These include, but are not limited to fundraising forms, purchase orders, activity reports, vendor information, purchasing of goods, depositing procedures, collection of money, expenditures, and disbursements.

Specific details were presented to the administrative staff and faculty at various meetings throughout the year. The items listed above are presented to the sponsors in a variety of ways. These are inclusive of handouts, a PowerPoint presentation, sample items, board rules, and Miami Dade County issued handbooks; such as booster clubs, PTSA, Club Sponsors, and Field Trip Procedures.

A checklist is provided to each faculty and staff sponsor delineating the appropriate forms and steps needed to ensure all of the rules and regulations are followed. The checklist is reviewed throughout the year with each activity presented and is addressed with any corrections or revisions necessary. The principal met with all responsible parties, inclusive of the administrators and has implemented procedures to ensure this does not occur again.

It is also important to state that sponsors receive an acknowledgement of receipt during these trainings, and are required to sign the handbook and guideline receipt for the above mentioned items. Any faculty or staff member who does not sign these documents, is prohibited from participating in any of the above mentioned activities or procedures.

Miami Southridge will ensure that the loan requested from the Miami Dade County Equalization fund is paid in full by adhering to the action steps delineated. The school will pay three installments of \$5,000.00 per year for three years. Each payment will be due by the 1st of June and will conclude by the year 2016. Payments received by the Equalization Fund department will issue receipts and confirmation of on-time payments to the school.

Person(s) Responsible:

ETO Administration

Management Response:

- The ETO Region Office Administrative Director will direct the Principal to review the school-developed fundraising procedures with the treasurer, staff, and sponsors. The Principal has been instructed to hold a follow up meeting at the beginning of the school year and as needed throughout the year where sponsors will outline all fundraising activities in advance in order to ensure feasibility and sufficient funding. The Assistant Principal and Treasurer will hold monthly review meetings to monitor fundraising activities.

**14. Inadequate Controls
Over Purchasing Credit
Card Program Resulted
In Documentation That
Was Incomplete And
Non-Compliant
With Bid Requirements
*North Miami Beach Senior***

The *Purchasing Credit Card Program Policies & Procedures Manual* establishes the procedures for documenting credit card (P-Card) purchases. According to the procedures, credit cards are issued to purchase authorized goods and services costing less than \$3,000 per individual transaction. General P-Card procedures require that, *prior to placing an order with a vendor a Purchasing Card Program Purchase Authorization Form [FM-5707]* must be completed, signed by the Principal/designee and filed to document approval. Regarding documentation of the actual charge, an itemized invoice must be obtained from the vendor and the signature of the individual who received the merchandise/services must be affixed to the invoice to indicate acknowledgement of receipt of goods or services.

Regarding the individual purchases, pursuant to School Board Policy 6320 *Purchasing*, all purchases for non-bid items of \$1,000 or more but less than or equal to \$50,000 require three (3) quotations must be solicited, and if possible, at least one of these quotations must be from a Minority/Women Business Enterprise. The quotations must be included as part of the ancillary documentation supporting the disbursement to show compliance with vendor selection requirements and lowest price selected.

We sampled P-Card monthly reconciliations and subsidiary records on file for the 2013-2014 fiscal year and August 2014. Total charges sampled amounted to \$12,530. Our review disclosed that the documentation supporting the charges was incomplete in that original invoices were not obtained/filed; signatures denoting receipt of goods were missing from several of the documents; and in some instances, the purchase order was issued and approved after the purchase was made. For one of the purchases exceeding \$1,000, the lowest bidder was not selected and we could not find evidence of a quotation from a certified minority enterprise. In addition, we had some concerns regarding the security of the location where merchandise received was being stored. Details follow:

- 14.1. In 26 instances, the invoice supporting the charge was not signed to indicate that goods/services had been received at the school. Total charges amounted to approximately \$9,760.

- 14.2. In 24 instances, a packing list/slip or similar documentation was used in lieu of a formal invoice to document the purchase. Total charges amounted to approximately \$4,230.
- 14.3. In eight instances, the *Purchasing Card Program Purchase Authorization Form* [FM-5707] was approved by the school administration after the date of the purchase or was not signed to denote approval. Total charges amounted to approximately \$3,000.
- 14.4. In one instance, a purchase in May 2014 consisting of four laptop/tablet (charging station) carts with a total cost of approximately \$2,330 was documented with three vendor quotations; however, the lowest vendor quotation was not selected. Regarding these three vendors, none was registered as a certified minority enterprise with the District; and there was no evidence in the school files that attempts had been made to contact such enterprise for a quotation. We confirmed with the District's Procurement Management Services that a District bid for this type of cart was awarded to several vendors; however, none of the vendors selected by the school were authorized on the District bid.
- 14.5. The location of the Purchasing Clerk's office where the deliveries of merchandise take place is near an entry/exit door that remains unlocked. On occasion, we were able to observe during our audit visit that the office would be left open and unattended while deliveries of valuable merchandise were stored in the room. We brought this matter to the attention of the school administration for their information and follow-up.

RECOMMENDATIONS

- 14.1. **The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 14.2. **The school administration should direct staff to ensure that purchase orders are issued prior to making any charges with the P-Card; and original invoices are obtained, appropriately signed to indicate that goods/services have been received and payment is in order, and filed.**
- 14.3. **The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotation, *one of which should be from a certified minority enterprise*; and 2) the lowest quotation is selected.**

14.4. The school administration should assess the security of the Purchasing Clerk's office where merchandise/goods are being received to improve safeguarding controls over the merchandise and prevent the possibility that it may be stolen if left unattended.

Person(s) Responsible: Principal and Purchasing Clerk

Management Response:

On October 22, 2014, the school administration discussed the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and will strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.

The school administration has directed staff to ensure that purchase orders are issued prior to making any charges with the P-Card; and original invoices are obtained, appropriately signed to indicate that goods and services have been received and payment is in order and filed.

The school administration will enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected. The administration will meet with the staff periodically in order to monitor that procedures are being followed as stipulated by Purchasing Credit Card Program guidelines.

The school administration has assessed the security of the Purchasing Clerk's office where merchandise and goods are being received to improve safeguarding controls over the merchandise and prevent the possibility that it may be stolen if left unattended by instructing the Payroll Clerk to close and lock the Purchasing Clerk's office. On a daily basis, the Assistant Principal will ensure that the Purchasing Clerk's office is closed and locked.

Person(s) Responsible: ETO Administration

Management Response:

- The ETO Region Office Administrative Director will direct the Principal to review the Purchasing Credit Card Policies & Procedures Manual and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year.

**15. Inadequate Recordkeeping
And Documenting Of Payroll
Attendance
*North Miami Beach 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 (DAS) 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. According to payroll sign-in procedures, full-time and part-time employees must reflect their attendance in the DAS by noting their initials (full-time) upon arrival; or the time in/out (part-time) upon arrival/departure.

At this school, the Principal supervises and approves the payroll. We reviewed the Daily Payroll Attendance Sheets (DAS) in effect at the time of our initial visit in late April/early May 2014 and noted that employees were not always following the proper procedures to indicate their daily attendance on the Daily Payroll Attendance Sheets. Specifically, staff inconsistently recorded their daily attendance on the rosters; or recorded their attendance on the rosters ahead of their scheduled days/hours. We brought this matter to the attention of the school administration for their information and follow-up.

We re-visited the school during September/October 2014 and our follow-up to the payroll conditions previously noted disclosed a significant improvement in the recording of attendance (when compared to the results from our earlier observations); however, a few employees continued to not record their attendance in the rosters on a daily basis; or recorded their attendance ahead of schedule. Once more, we discussed the matter with the school administration. Details of our findings follow:

- 15.1. Our initial observation of payroll attendance rosters required that we review the payroll sign-in procedures. We observed many instances where full-time employees had not indicated their presence on the Daily Payroll Attendance Sheets on a daily basis. Specifically, at the time of our observation, which was close to the end of the pay period, these employees had not signed *one or more days up to nine days* in that given pay period. We brought this matter to the attention of the school administration who attested in writing that the employees in question were at work or had worked the days when the discrepancies were observed. Regarding discrepancies with the recording of full-time attendance, we observed a total 67 instances of non-compliance for 25 employees.

15.2. Our follow-up to payroll sign-in procedures in a subsequent visit during September 2014 observed ten instances where seven full-time employees and three part-time *employees had not signed on the attendance rosters one day or had signed ahead of their scheduled time.* Two of these staff members were identified for similar conditions during our initial review of payroll.

RECOMMENDATIONS

- 15.1. At the beginning of the school year and as often as needed, the school administration should discuss with staff the proper procedures for recording payroll for understanding and awareness; and should direct staff to comply with the procedures.**
- 15.2. The school administration should direct the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow procedure.**
- 15.3. The school administration should review the sign in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and should discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.**

Person(s) Responsible:

Principal and Payroll Clerk

Management Response:

At the beginning of the school year and as often as needed, the school administration will discuss with staff the proper procedures for recording payroll for understanding and awareness; and will direct staff to comply with the procedures.

The school administration has directed the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow the procedure.

The school administration is reviewing the sign-in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and will discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.

Person(s) Responsible:

ETO Administration

Management Response:

- The ETO Region Office Administrative Director directed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systematic approach for properly maintaining payroll documentation; and to implement a set of procedures for reviewing the payroll documentation to ensure that the payroll reported is accurate and the supporting documentation is appropriate, complete, and filed in the school records.

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, 2013 and/or June 30, 2014, 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; and
- 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.

While the scope of our audits generally covered operations during the period of July 1, 2012 through June 30, 2013 and/or July 1, 2013 through June 30, 2014 (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. FTE audits covered the February 2014 survey period (2013-2014 survey period 3).

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, 2013 and June 30, 2014 was 0.50% and 0.62%, 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, 2013 and June 30, 2014, the MDCPS-Money Market Pool Fund's interest rate was 0.50% and 0.62%, 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.

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

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

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

PROPERTY

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

Our office conducts yearly inventories at each school 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.*

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. Generally, 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 2013-2014 fiscal year, months selected by the FDOE for these surveys are as follows:

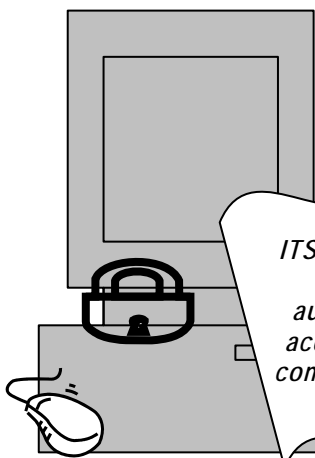
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

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

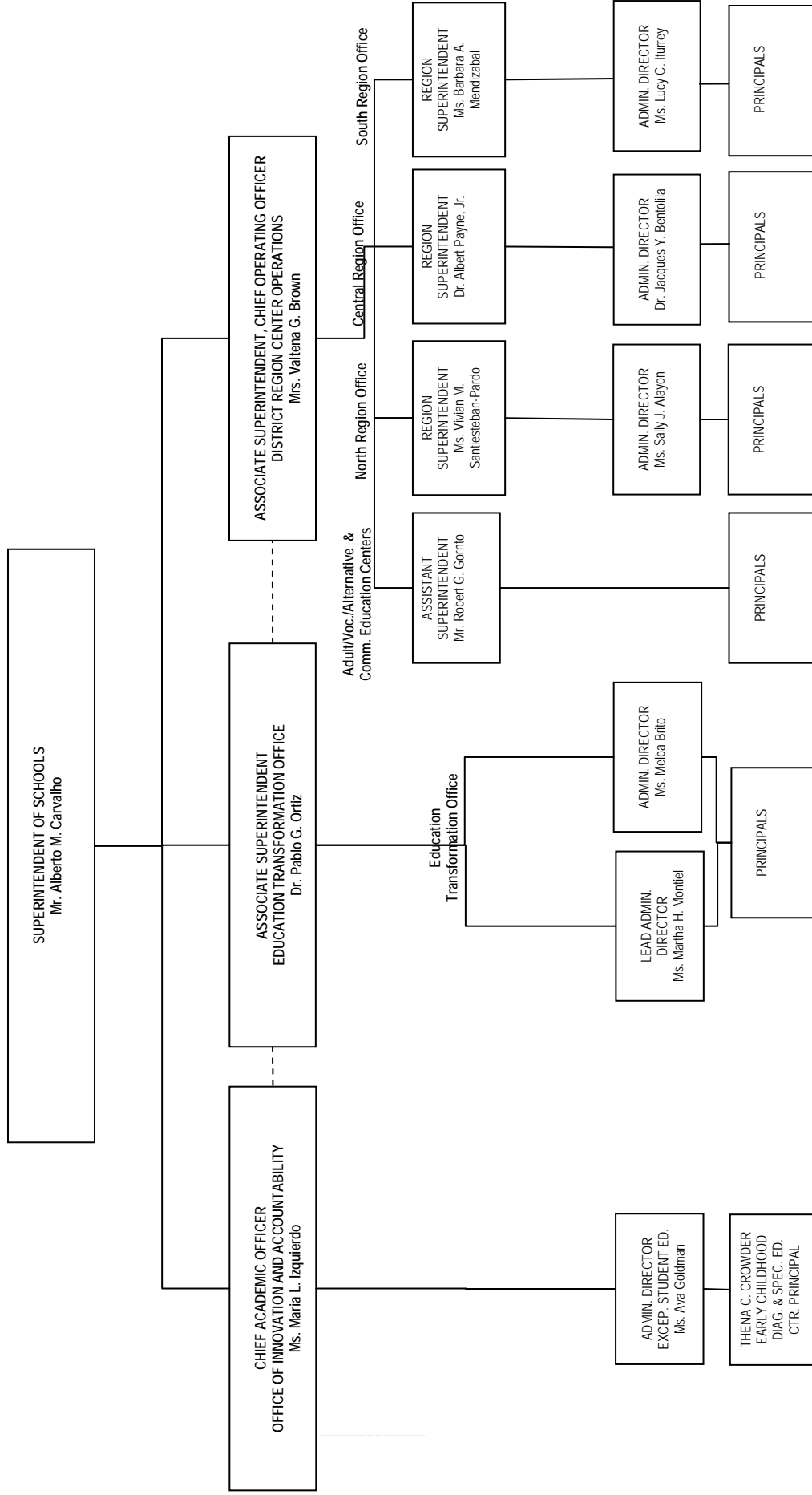
DATA SECURITY MANAGEMENT REPORT



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

Principals are responsible for ensuring that network security standards and related security procedures are being observed at the school sites. Part of their responsibility includes ensuring that only authorized staff has access to designated applications. Information Technology Services (ITS) produces a monthly report for each location titled "Authorized Applications for Employees by Locations Report". Principals are responsible for reviewing this report to determine the appropriateness of applications approved for each employee, as to whether they are required for his or her assigned duties; and to ensure that access to the computer application that allows for changes to students' academic grades is limited to a specific and restricted number of authorized personnel. For selected schools in this report, we reviewed this area as a follow up to conditions noted in the prior audit. In such cases, our purpose was to ensure that corrective action was implemented by the principals, and access to these computer applications was fully compliant with the guidelines.

ORGANIZATIONAL CHART (SCHOOLS)

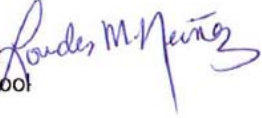


**APPENDIX
MANAGEMENT'S RESPONSES**

MEMORANDUM

November 3, 2014

TO: Ms. Vivian M. Santiesteban-Pardo, Region Superintendent
North Region Office

FROM: Ms. Lourdes M. Nuñez, Principal 
John G. DuPuis Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
JOHN G. DUPUIS ELEMENTARY SCHOOL FOR JULY 1, 2012 – JUNE
30, 2014

The following is submitted in response to the audit report of John G. DuPuis Elementary School for the 2012-2013 and 2013-2014 fiscal years. The audit findings have been carefully reviewed by the newly appointed Principal.

As a result the newly appointed 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. **Inadequate Controls Over the Bookkeeping Function Disclosed Delays in the Posting of Disbursements and Other Financial Transactions.**

RECOMMENDATIONS

- 1.1 **Review bookkeeping procedures with the Bookkeeper to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing the related transactions.**
- 1.2 **Direct the Bookkeeper to post the transactions in a timely manner and discuss any adjusting entries during the month-end account reconciliation to ensure they are timely posted going forward.**
- 1.3 **Request assistance from the Division of Internal Funds Accounting in the Office of the Controller if additional training on the posting of transactions is required.**

RESPONSIBLE PERSON(S): Principal, Secretary/Treasurer

MANAGEMENT RESPONSE:

The Principal has reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* with the Secretary/Treasurer to ensure her understanding and responsibilities regarding bookkeeping procedures.

The Principal will meet with the Secretary/Treasurer on a bi-weekly basis to review all transaction postings to ensure they are completed in a timely manner. If there are any posting delays identified during periodic review, they will be discussed immediately with Secretary/Treasurer for timely resolution.

The Principal, along with the Secretary/Treasurer will request assistance from the Division of Internal Funds Accounting in the Office of the Controller as needed.

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

November 3, 2014

MEMORANDUM

TO: Ms. Vivian M. Santiesteban-Pardo, Region Superintendent
North Region Office

FROM: Agenoria T. Powell, Principal
Linda Lentin K-8 Center



**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT
OF LINDA LENTIN K-8 CENTER FOR July 1, 2012 – June 30, 2014**

This following is submitted in response to the Audit Report of Linda Lentin K-8 Center for the 2012-2013 and 2013-2014 fiscal years.

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. **Inadequate Controls Over Purchasing Credit Card Program Resulted in Documentation that was Incomplete and Non-Compliance with Bid Requirements**

RECOMMENDATIONS

- 1.1 **The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.**
- 1.2 **The school administration should direct staff to ensure that invoices are signed to indicate that foods/services have been received and payment is in order.**
- 1.3 **The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotes, one of which must be from a certified minority enterprise; and 2) the lowest quote is selected.**

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

The Principal has discussed the guidelines and requirements as stated in the Purchasing Credit Card Program Policies & Procedures Manual and has strengthened her review over disbursements made with the P-Card to ensure the compliance with District Policy. The Principal will review all disbursements with the Secretary/Treasurer on a bi-weekly basis.

The Principal has strengthened protocol between Administration and the Secretary/Treasurer so each P-Card purchase order is verified against the packing slip, attached to the original invoice. Once the content of the purchases have been checked for accuracy, the original invoice will be signed. The Principal directed staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order.

The Principal will meet on an as need basis (purchase of \$1,000.00 or more) with the Secretary/Treasurer to review and enforce the bid requirements which include: verification of items on bid with the Procurement Management Office and maintain/attach the emails to verify that at least one vendor quote is from a certified minority enterprise.

The Secretary/Treasurer will provide the documentation of three written vendor quotes to the Principal and must receive administrative written and dated authorization before any purchases are made.

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

MEMORANDUM

November 3, 2014

TO: Ms. Vivian M. Santiesteban-Pardo, Region Superintendent
North Region Office

FROM: Anna M. Hernandez, Principal
M.A. Milam K-8 Center

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
M. A. MILAM K-8 CENTER FOR JULY 1, 2012 - JUNE 30, 2014

The following is submitted in response to the Audit Report of M. A. Milam K-8 Center for the 2012-2013 and 2013-2014 fiscal years.

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. **Inadequate Recordkeeping and Documenting of Payroll Attendance**

RECOMMENDATIONS

- 1.1 **At the beginning of the school year and as often as needed, the school administration should discuss with staff the proper procedures for recording payroll for understanding and awareness; and should direct them to comply with the procedures.**
- 1.2 **The school administration should direct the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow procedures.**
- 1.3 **The school administration should review the sign-in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and should discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.**

PERSON(S) RESPONSIBLE: Principal, Assistant Principal, Payroll Clerk

MANAGEMENT RESPONSE:

The Principal has reviewed the Payroll Processing Procedures Manual and Payroll Highlights

with the Payroll Clerk and all faculty and staff members to ensure understanding and responsibilities regarding proper recordkeeping and documenting of payroll attendance.

The Principal and Payroll Clerk are monitoring the Payroll Attendance Sheets on a regular basis to ensure that employees are not signing in ahead of their scheduled time, but rather when they report to work and exit work.

The Principal has reviewed with the faculty, as well as with other full-time employees, that they are not to sign the Payroll Attendance Sheets on holidays or when they participating in a Temporary Duty assignment.


The Principal will continue to review the payroll procedures with employees on a regular basis and will review the sign-in sheets periodically to make sure that all procedures established by the District are implemented with fidelity and in a timely manner.

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

MEMORANDUM

November 3, 2014

TO: Ms. Vivian M. Santiesteban-Pardo, Region Superintendent
North Region Office

FROM: Lourdes Diaz, Principal
Hialeah Middle School 

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF HIALEAH MIDDLE SCHOOL FOR JULY 1, 2012 - JUNE 30, 2014**

The following is submitted in response to the Audit Report of Hialeah Middle School for the 2012-2013 and 2013-2014 fiscal years.

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. **School Non-Compliant with FTE-ELL Student Records Resulted in Potential FTE Funding Disallowances**

RECOMMENDATIONS

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

PERSON(S) RESPONSIBLE: Principal, Assistant Principal, School Registrar, ESOL Staff

MANAGEMENT RESPONSE:

The Principal has reviewed the Opening of School Year Information, the Division of Bilingual Education and World Languages Memoranda, and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the School Registrar to ensure understanding and responsibilities regarding the maintenance of FTE-ELL Student Records.

The Principal will monitor the proper and timely completion of all documents in the ESOL Program Record folder, inclusive of the Individual ELL/LEP Student Plan [FM-4650], the printout of the students' schedules from the Integrated Student Information System (ISIS), and evidence

of the convening of LEP Committees for students enrolled in the ESOL Program for six semesters or more to ensure that all information is accurate and complete.


The Principal along with the Assistant Principal and ESOL staff will request assistance from the Division of Bilingual Education and World Languages on an as-needed basis.

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

MEMORANDUM

November 3, 2014

TO: Ms. Vivian M. Santiesteban-Pardo, Region Superintendent
North Region office

FROM: Mr. Ronald Redmon, Principal 
Norland Middle School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
NORLAND MIDDLE SCHOOL FOR JULY 1, 2012 – JUNE 30, 2014

The following is submitted in response to the Audit Report of Norland Middle School for the 2012-2013 and 2013-2014 fiscal years.

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. **School Site Procedures for the Disposal of Equipment not Compliant with Board Policy**

RECOMMENDATIONS

- 1.1 **Ensure that staff and school administration, particularly those in charge of property management, understand and are fully aware of the procedures for accounting and disposing of property; and strengthen the management and controls over property belongings to the school.**
- 1.2 **Going forward, ensure that Stores and Mail Distributions is engaged when disposing of equipment no longer in use at the school and maintain on file appropriate documentation of approval/disposal.**

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

MANAGEMENT RESPONSE:

The Principal has reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* and the Property Control Procedures Manual with the Assistant Principal and Secretary/Treasurer to ensure their understanding and responsibilities regarding the procedures for accounting and disposing of property.

The Principal will meet with the Assistant Principal and Secretary/Treasurer on a quarterly basis to verify that all property items assigned to the school are properly accounted for.


This Principal will ensure that when the school desires to dispose of property that is obsolete or serves no useful function at the school, the school will contact the Stores and Mail Distribution's Warehouse to assist in removing such items according to Board policy.

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

MEMORANDUM

November 7, 2014

TO: Ms. Barbara A. Mendizabal, Region Superintendent
South Region Office

FROM: Crystal Coffey, Principal
Pine Lake Elementary 

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF PINE LAKE ELEMENTARY SCHOOL

The following is a response to the relevant findings in the internal audit report for Pine Lake Elementary for the 2013-2014 Fiscal Year. The audit findings have been carefully reviewed by the Principal. As a result, the following corrective actions have been established to prevent recurrence.

RECOMMENDATIONS

- 1.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements.
- 1.2. Discuss the bookkeeping procedures with the new Bookkeeper to ensure understanding of the expectations of the job.
- 1.3. Direct the new Bookkeeper to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books; and ensure that teachers are given copy of the MSAF receipt when turning in collections.
- 1.4. Designate an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited; and direct the administrator to verify collections in addition to the Bookkeeper.
- 1.5. Reverse the \$1,141 transfer of funds from the General Fund-Miscellaneous account to the Trust-Field Trips 5 account to restore receipts to the proper account.

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

MANAGEMENT RESPONSE

The newly assigned Principal hired a new Treasurer. On August 7, 2014, the Principal met with the new Treasurer and discussed the implementation of bookkeeping and record keeping procedures to ensure that there is a clear understanding of the expectations of the job and audit findings. Specifically, the Principal reviewed Section II, Chapter 2 of the *Manual of Internal Accounting* with the Treasurer and directed the Treasurer to attach the computer-generated MSAF receipts to the Official receipt books when issuing individual receipts from the books and provide teachers a copy of the MSAF receipt when turning in collections.

On November 4, 2014, the Principal met with staff to discuss district policies and procedures for the collection of monies. Proper use of Employee (BPI) Receipts (FM-0976) were discussed with staff school wide to ensure their understanding of the receipting process and staff was directed to promptly inform the administration of any instances where the Treasurer fails to follow proper receipting/depositing procedures.

The Principal directed all clerical staff members to immediately deliver the unopened bank statements and financial documents to the Principal for review.

The Principal assigned an administrator to review the financial activities periodically to ensure that collections are properly receipted, documented, and timely deposited and directed the administrator to verify collections in addition to the Bookkeeper.

A transfer of funds to reverse \$1,141 from the General Fund- Miscellaneous account to the Trust Fund-Field Trips 5 account to restore receipts to the proper account was made on October 31, 2014.


If you should require any additional information, please feel free to contact me.

cc: Lucy Iturrey
Cynthia Garcia

MEMORANDUM

November 7, 2014

TO: Mrs. Barbara Mendizabal, Region Superintendent
South Region Office

FROM: Mrs. Barbara Leveille-Brown, Principal 
Laura C. Saunders Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
LAURA C. SAUNDERS ELEMENTARY SCHOOL FOR JULY 1, 2013
THROUGH JUNE 30, 2014**

This memorandum serves as a response to the relevant findings in the internal audit report for Laura C. Saunders Elementary for the 2013-2014 Fiscal Year.

RECOMMENDATIONS

- 1.1 Review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and completion of leave cards.**
- 1.2 Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.**
- 1.3 Periodically review the sign in sheets of staff and hourly paid employees to ensure that employees are signing in/out in a timely manner.**

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

Management Response:

In review of the findings and recommendations reported, the Principal has taken immediate action to enforce proper procedures and ensure the adequate documenting, recordkeeping and reporting of payroll.

Specifically, the Principal met with the faculty and staff on November 5, 2014, to review the appropriate procedure for signing in and out. Additionally the Principal met with the Assistant Principal and the Payroll Clerk on October 30, 2014, to review the *Payroll Processing Procedures Manual*.

Furthermore, a procedure was established for the careful review of the Daily Payroll Attendance Sheets by both the Payroll Clerk and the Principal or Designee. All payroll sheets will be randomly reviewed by the Principal and/or Payroll Clerk after the start of the regular work day and at various times. Employees will be notified immediately via email should a discrepancy in procedure be found. Additionally, employees will be notified via memorandum in the event that the discrepancies are noted during biweekly payroll processing. A Payroll Discrepancy binder is being maintained to determine and record the frequency of repeated discrepancies.

The Principal met with the Payroll Clerk on October 29, 2014, and directed her to use the Temporary Instructors & Paraprofessionals Substitutes Daily Payroll Attendance Sheets (FM-7090) for temporary instructors. In addition, the Principal also directed the Payroll Clerk that all temporary instructors must sign in/out on a daily basis in the attendance roster, the payroll clerk must note in the rosters whether the temporary instructor attended a full day or half day, and must also record the accounting structure from which the employee is being paid. Faculty/Staff also received an email on signing in on the Daily Payroll Attendance Sheets, and the documentation of leave cards.

RECOMMENDATIONS

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

Responsible Person (s): Principal, Assistant Principal, ESOL Teacher, Registrar

Management Response:

In order to ensure compliance with the guidelines and procedures for maintaining ELL student information, the Principal requested professional development for the Assistant Principal and the ESOL Teacher through the support of the Bilingual Education and World Languages Department.

The Principal provided a copy and reviewed the 2013-2014 Opening of Schools Guidelines and Procedures and the District Plan for Services to English Language Learners (ELL) with the Assistant Principal and the ESOL Teacher on October 31st, 2014.

The Principal held an ELL compliance meeting on November 3, 2014, with all Administrative, Instructional and Clerical Personnel responsible for ELL documentation

to ensure full compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

A mentor teacher from another school has been assigned to the ESOL Teacher to assist with guidance and questions. The ESOL Teacher will visit the mentor teacher on November 7, 2014 to review various compliance documents and strategies to ensure all guidelines are met.

The Principal advised the Assistant Principal, ESOL Teacher, and the Registrar, to immediately review all incoming or new registrations to ensure compliance with ELL program guidelines. The team was instructed to ensure that the ELL/LEP Plans are dated appropriately. Furthermore, the team was instructed to review the cumulative folders of all ELL students to ensure that the plans are available in the cumulative folders. Furthermore, the team was instructed to review the ELL/LEP Plans with focused attention on detail and accuracy.

The ESOL Teacher will receive an attendance bulletin on a daily basis to monitor the entry of possible LEP students and ensure the date of entry and the participation documents are accurate. Reports available in the portal under the Limited English Proficient link, as well as, possible LEP errors reports available in Control-D are reviewed and/or printed on a monthly basis to monitor the LEP students and their status.

The Principal will continue to monitor the documentation of ELL student documentation. The Principal directed the team to continue to conduct mini self-reviews of randomly selected cumulative folders and records of ELL students to assure compliance utilizing the Division of Bilingual Education and World Languages Procedures Manual.

For further information regarding this response, please contact our office at 305-247-3933.

cc: Ms. Lucy Iturrey
Ms. Cynthia Gracia

MEMORANDUM

October 27, 2014

TO: Dr. Pablo G. Ortiz, Associate Superintendent
Education Transformation Office

FROM: Dr. Thalya Watkins, Principal *TW*
Carol City Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
CAROL CITY ELEMENTARY SCHOOL FOR 2013-2014 FISCAL YEAR**

The Principal has carefully reviewed the findings cited in the Internal Funds Audit Report for the 2013-2014 fiscal year. As a result, the Principal has established an action plan comprised of definite strategies to implement in order to prevent future recurrences.

Inadequate Controls Over Bookkeeping Functions Resulted in the Loss of Revenue

- 1.1. The Principal should direct staff to deliver all financial correspondence to the Principal for initial review, before the correspondence is delivered to the Bookkeeper.
- 1.2. The Principal should direct the Bookkeeper to bring to the Principal's attention any concerns/issues/questions/problems related to the internal funds of the school, especially those that require follow up.
- 1.3. The Principal should direct the Bookkeeper to fully implement use of forms (FM-1012) and (FM-0992) to document the review and approval of these transactions.
- 1.4. The Principal should periodically review the internal funds records to strengthen control over the bookkeeping of the funds and the financial records.
- 1.5. The Bookkeeper (under the supervision of the Principal) should follow-up with the appropriate parties regarding possible replacement checks and bring to the attention of the Principal any issues that require administrative decision-making/follow-up.
- 1.6. Going forward, the Principal should periodically review the accounts and make a determination as to the future use of these funds, if no activity is foreseen during the current year. However, because the inactive accounts correspond to grants and donations carried over from prior years, before making any transfers or using these funds for purpose other than those initially intended, the school should contact the donor/grantor for written approval; and ultimately, the ETO administration and administration from the Internal Funds Accounting Division for further determination and guidance.

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

Management Response:

The Principal has instructed the School's Treasurer and other clerical staff who disburse the daily mail and all billing correspondence to be delivered directly to the Principal for initial review.

In the absence of the Principal, the Designee will perform the initial review prior to giving it to the Treasurer.

The Principal met with the Treasurer and the Assistant Principal to thoroughly review and discuss Section II, Chapter 2 of the *Manual of Internal Fund Accounting* regarding the bookkeeping of funds. The Treasurer was directed to bring to the attention of the Principal any bookkeeping issues that need follow up. Issues like third party checks received and uncertain where to post; donation letters missing, or similar issues noted in the finding related to third party checks will be brought to the Principal's attention for guidance and resolution. The Principal and Treasurer will meet at the end of each month to review the Monthly Financial Reports and Bank Reconciliation. Any adjustment of entries that have not been processed on a timely basis will be addressed by the Principal for immediate corrective action.

The Principal instructed the Treasurer and the Designee to use {FM-1012} as evidence of following internal funds procedures when requesting approval for a potential purchase and paying for purchase as delineated in Section 4 of the *Manual of Internal Fund Accounting*. The Principal met with the Treasurer to review the Fiscal Year Closing instructions which provides the instructions regarding inactive accounts. Periodically, the Principal will review all account balances with the Treasurer to monitor financial activity and activity/inactivity in the accounts.

The Principal instructed the Treasurer and the Designee to ensure that (FM-0092) is completed prior to posting any transfers of funds to ensure the approval of the Principal. These will be periodically reviewed.

The school was pending replacement of checks totaling \$867.50. Subsequent to the audit, funds in the amount of \$567.50 were recovered. A system has been established to review all grants and donations. The Principal will continue to monitor all grants and donations on a monthly basis to ensure adherence to procedures. A spreadsheet will be used to maintain these procedures, and the Treasurer will maintain this document. The Principal will review and make required corrections immediately.

Three dormant accounts with leftover balances totaling \$860.00 will be used immediately.

Inadequate Controls Over The Purchasing Credit Card Program Resulted in Documentation That Was Incomplete With P-Card Transaction Limits and Bid Requirements

- 2.1 The school administration should discuss the Purchasing Credit Card Program guidelines with Staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with P-Card documentation and purchasing requirements.
- 2.2 Staff should be reminded that the splitting of purchases to circumvent single transaction limits and purchasing thresholds for requiring quotations/bids is strictly prohibited.

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

Management Response:

The Principal met with the Treasurer and the Assistant Principal to thoroughly review and discuss the *Purchasing Card Program Policies and Procedures Manual* which establishes the procedures for credit card purchases. The Principal directed the Treasurer to file all documents related to the credit card consisting of all properly completed Purchase Authorization Forms signed by the Principal and original itemized invoices, signed for acknowledgement of receipt of

goods to document each charge. The documents will be reviewed during the monthly reconciliation process to discuss any discrepancies and implement corrective action. The Principal directed the Treasurer to contact the Division of Procurement Management and the Office of Economic Opportunity to provide assistance with potential authorized vendors when planning to purchase using the credit card.

Emphasis was made to the requirement that all purchases 1,000.00 or more require 3 quotes to be obtained, and if possible, at least one (1) of these vendors shall be a Minority/Women Business Enterprise. Documentation of these quotes and vendor information will be filed in the credit card files as support for the purchase.

Staff was reminded that the splitting of orders to circumvent bidding procedures is not allowed. Prior to approving any credit card charge the Principal will discuss it with the Treasurer to ensure that orders are not split to circumvent the general purchasing procedures.

MEMORANDUM

November 7, 2014

TO: Dr. Pablo Ortiz, Associate Superintendent
Education Transformation Office

FROM: Dr. Amrita J. Prakash, Principal
Poinciana Park Elementary School *AST*

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
POINCIANA PARK ELEMENTARY FOR 2013-2014 AND 2014-2015**

The following is in response to the findings and recommendations made by the Office of Management and Compliance Audits for the internal audit of Poinciana Park Elementary School for the 2013-2014 and 2014-2015 school years.

Credit Card

RECOMMENDATIONS:

- 1.1 The new school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements.
- 1.2 The new school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order. Similarly, the school administration should direct staff to complete (FM-5707), present them to the Principal for approval and file with the rest of the P-Card records.
- 1.3 Strengthen the review over P-Card documentation to ensure compliance with district policy.

RESPONSIBLE PERSON(S): Principal and Secretary/Treasurer

Management Response:

The Principal has taken immediate corrective action, which included meeting with the Secretary/Treasurer to review audit findings on Monday, October 27, 2014. The Principal and Secretary/Treasurer reviewed the Purchasing Credit Card Policies and Procedures Manual, School Board Policy 6320-Purchasing and School Board Policy 6424-Purchasing Cards. Additionally, the Principal recently attended P-Card for Administrators training.

In accordance with guidelines of the Purchasing Credit Card Policies and Procedures Manual and under the direct supervision of the Principal, the Secretary/Treasurer will be responsible for maintaining an accurate running record of all accounts and what was purchased. The Principal will ensure that all paperwork is signed; forms are completed and filed correctly to indicate that goods/services have been received and that payment is in order. The Principal will meet with the Secretary/Treasurer on a bi weekly basis to monitor all paperwork, including a review of invoices to ensure they include appropriate signatures.

Payroll

RECOMMENDATIONS:

- 2.1 Review with staff the recording of attendance on the Daily Payroll Attendance Sheets and the completion of leave cards to ensure that payroll records are properly completed.
- 2.2 Direct the payroll clerk to enter all necessary information on the *Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets* related to the name of the absent employee, the employee number and the payroll's funding structure.
- 2.3 Direct the payroll clerk to file payroll corrections with the payroll records.
- 2.4 Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.

RESPONSIBLE PERSON(S): Principal, Assistant Principal and Payroll Clerk

Management Response:

The Principal has taken immediate corrective action, which included meeting with the Assistant Principal and Payroll Clerk to review audit findings on Monday, October 27, 2014. The Principal, Assistant Principal and Secretary/Treasurer reviewed the *Payroll Processing Procedures Manual* and School Board Policy 65'10-Payroll Authorization.

The Principal, Assistant Principal and Payroll Clerk have reviewed procedures for recording daily attendance on the Payroll Attendance Sheets and completing leave cards with accuracy to ensure that payroll records are properly completed. Under the supervision of the Principal and in accordance with guidelines of the *Payroll Processing Procedures Manual*, the Assistant Principal will be responsible for overseeing the payroll clerk's daily operation and ensuring that all necessary information on the *Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets* is completed accurately.

The Principal directed the Treasurer to file all payroll corrections in the folder of the payroll for which the corrections were made.

The Assistant Principal and Payroll Clerk will request assistance from the District's Payroll Department to ensure that proper payroll procedures are being observed. In addition, the Assistant Principal and Payroll Clerk will complete a Payroll Approval Checklist during every pay period. The Principal will review and monitor Payroll Checklists to ensure accuracy, completeness and propriety of the reporting procedures.

MEMORANDUM

October 28, 2014

TO: Dr. Pablo G. Ortiz, Associate Superintendent
Education Transformation Office

FROM: Mrs. Bianca Calzadilla, Principal 
Miami Southridge Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF MIAMI
SOUTHRIDGE SENIOR HIGH FOR 2012-2013 AND 2013-2014**

The administrative responses provided in this memorandum will address the audit exceptions found for the 2012-2013 and 2013-2014 school year. It will also include specific corrective strategies and action steps which will prevent the recurrences of these exceptions.

Fundraising Activities

RECOMMENDATIONS:

- 1.1 Ensure that staff understands and adheres to process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4, and Section IV, Chapter 2 of the Manual.
- 1.2 Enforce with vendors and staff the practice that no orders of goods / merchandise / services shall be placed with vendors without a duly approved purchase order and a contact name; and provided funds are available in the corresponding account to cover the expenditure.
- 1.3 Discuss with staff that any orders not approved by the school may be subject to staff paying for the merchandise from personal funds.
- 1.4 Discuss with staff that the receipt of goods / merchandise at the school site is restricted to goods / merchandise ordered by the school for school-related purposes for which the school is financially responsible. To clearly delineate responsibility, booster clubs and third parties should not be receiving merchandise at the school, or purchase merchandise using the school's name.
- 1.5 Ensure that the loan from the Equalization Fund is paid in full and following the stipulated timelines for installments payments pending at this time.

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

Management Response:

Miami Southridge Senior High and the principal has implemented the following corrective actions to ensure all internal fund accounts and fundraising procedures are properly maintained and adhered to. At the beginning of each school year, during the opening of schools meeting, the faculty and staff are presented by the appropriate personnel with information, resources, and materials as it relates to athletics and fundraising procedures. These include, but are not limited to fundraising forms, purchase orders, activity reports, vendor information, purchasing of goods, depositing procedures, collection of money, expenditures, and disbursements.

Specific details were presented to the administrative staff and faculty at various meetings throughout the year. The items listed above are presented to the sponsors in a variety of ways. These are inclusive of handouts, a PowerPoint presentation, sample items, board rules, and Miami Dade County issued handbooks; such as booster clubs, PTSA, Club Sponsors, and Field Trip Procedures.

A checklist is provided to each faculty and staff sponsor delineating the appropriate forms and steps needed to ensure all of the rules and regulations are followed. The checklist is reviewed throughout the year with each activity presented and is addressed with any corrections or revisions necessary. The principal met with all responsible parties, inclusive of the administrators and has implemented procedures to ensure this does not occur again.


It is also important to state that sponsors receive an acknowledgement of receipt during these trainings, and are required to sign the handbook and guideline receipt for the above mentioned items. Any faculty or staff member who does not sign these documents, is prohibited from participating in any of the above mentioned activities or procedures.

Miami Southridge will ensure that the loan requested from the Miami Dade County Equalization fund is paid in full by adhering to the action steps delineated. The school will pay three installments of \$5,000.00 per year for three years. Each payment will be due by the 1st of June and will conclude by the year 2016. Payments received by the Equalization Fund department will issue receipts and confirmation of on-time payments to the school.

MEMORANDUM

October 27, 2014

TO: Dr. Pablo G. Ortiz, Associate Superintendent
Education Transformation Office

FROM: Randy Milliken, Principal 
North Miami Beach Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
NORTH MIAMI BEACH SENIOR HIGH SCHOOL FOR 2012-2013 AND
2013-2014 AUDIT PERIODS.**

This memorandum is to address corrective action following the recent audits at North Miami Beach Senior High School.

Credit Card

RECOMMENDATIONS:

- 1.1. The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.
- 1.2. The school administration should direct staff to ensure that purchase orders are issued prior to making any charges with the P-Card; and original invoices are obtained, appropriately signed to indicate that goods and services have been received and payment is in order, and filed.
- 1.3. The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected.
- 1.4. The school administration should assess the security of the Purchasing Clerk's office where merchandise and goods are being received to improve safeguarding controls over the merchandise and prevent the possibility that it may be stolen if left unattended.

Responsible Persons include: Principal and Purchasing Clerk.

Management Response:

On October 22, 2014, the school administration discussed the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and will strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.

The school administration has directed staff to ensure that purchase orders are issued prior to making any charges with the P-Card; and original invoices are obtained, appropriately signed to indicate that goods and services have been received and payment is in order and filed.

The school administration will enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected. The administration will meet with the staff periodically in order to monitor that procedures are being followed as stipulated by Purchasing Credit Card Program guidelines.

The school administration has assessed the security of the Purchasing Clerk's office where merchandise and goods are being received to improve safeguarding controls over the merchandise and prevent the possibility that it may be stolen if left unattended by instructing the Payroll Clerk to close and lock the Purchasing Clerk's office. On a daily basis, the Assistant Principal will ensure that the Purchasing Clerk's office is closed and locked.

Payroll

RECOMMENDATIONS:

- 2.1. At the beginning of the school year and as often as needed, the school administration should discuss with staff the proper procedures for recording payroll for understanding and awareness; and should direct staff to comply with the procedures.
- 2.2. The school administration should direct the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow the procedure.
- 2.3. The school administration should review the sign-in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and should discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.

Responsible Persons include: Principal and Secretary.

Management Response:

At the beginning of the school year and as often as needed, the school administration will discuss with staff the proper procedures for recording payroll for understanding and awareness; and will direct staff to comply with the procedures.

The school administration has directed the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow the procedure.

The school administration is reviewing the sign-in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and will discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.

MEMORANDUM

November 10, 2014
VSP#035/2014-2015
(305) 572-2800

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

FROM: Vivian M. Santiesteban-Pardo, Region Superintendent
North Region Office

SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOLS

Attached please find the responses to the audit findings for the 2012-2013 and 2013-2014 fiscal years for John G. DuPuis Elementary School, Linda Lentin K-8 Center, M.A. Milam K-8 Center, Hialeah Middle School and Norland Middle School. The North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

John G. DuPuis Elementary School

1. Inadequate Controls Over the Bookkeeping Function Disclosed Delays in the Posting of Disbursements and Other Financial Transactions.

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The plan encompasses thoroughly reviewing the District procedures outlined in the Manual of Internal Fund Accounting for posting transactions in a timely manner and to develop and implement a system to ensure compliance with District policy.

In addition, the Principal has been instructed to meet with Secretary/Treasurer on a regular basis to review all transaction postings to ensure timely completion and request assistance from the Region or the Division of Internal Funds Accounting in the Office of the Controller if additional training or assistance on the posting of transactions is required.

Linda Lentin K-8 Center

1. Inadequate Controls Over Purchasing Credit Card Program Resulted in Documentation that was Incomplete and Non-Compliance with Bid Requirements.

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The plan encompasses a thorough review of the guidelines and requirements as stated in the Purchasing Credit Card Program Policies and Procedures Manual to strengthen the system in place for reviewing disbursements made with the P-Card.

In addition, the Principal has been instructed to strengthen the tracking of purchases, with the Secretary/Treasurer, from initiation through completion of payment including verifying the packing slip against P-Card purchase orders, attaching original invoices and signing original invoices.

Furthermore, the Principal has been instructed to meet with the Secretary/Treasurer on a regular basis to review bid requirements which include verifying items on bid with the Procurement Management Office and ensuring three written vendor quotes – one being from a certified minority enterprise are secured prior to making purchases.

M.A. Milam K-8 Center

1. Inadequate Recordkeeping and Documenting of Payroll Attendance

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal will thoroughly review the Payroll Processing Procedures Manual with the Payroll Clerk and all faculty and staff members. The Principal and the Payroll Clerk will develop a systematic approach for properly maintaining payroll procedures. The Principal will review the Payroll Sign-In Roster and verify that the daily payroll corresponds with actual employee attendance.

In addition, the Principal has been instructed to review the payroll procedures with employees on a regular basis and continue to periodically review the sign-in sheets to ensure all procedures established by the District are implemented with fidelity and in a timely manner.

Hialeah Middle School

1. School Non-Compliant with FTE-ELL Student Records Resulted in Potential FTE Funding Disallowances.

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal was instructed to thoroughly review the Division of Bilingual Education and World Languages Memoranda and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the Registrar.

The Principal has been instructed to monitor the proper and timely completion of all documents on a regular basis in the ESOL Program Record folder, inclusive of Individual ELL/LEP Student Plans, the printout of the students' schedules from the Integrated Student Information System (ISIS) and evidence of the convening of a LEP Committee for students enrolled in the ESOL Program for six semesters or more.

Furthermore, the Region will coordinate District assistance from the Division of Bilingual Education for the Principal and staff on an as needed basis.

Norland Middle School

1. School Site Procedures for the Disposal of Equipment not Compliant with Board Policy

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal will thoroughly review the guidelines as stated in the Property Control Procedures Manual with the Assistant Principal and Secretary/Treasurer.

The Principal has been instructed to meet with the Assistant Principal and Secretary/Treasurer on a quarterly basis to verify that all property items assigned to the school are accounted for. The Principal will ensure that when the school desires to dispose of property that is obsolete or serves no useful function at the school, the school will contact the Region or Stores and Mail Distribution's Warehouse to assist in removing the property according to Board policy.

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

VSP/SA

cc: Mr. Jose L. Dotres
Ms. Cynthia Gracia
Ms. Sally J. Alayon

MEMORANDUM

November 8, 2014

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

FROM: Barbara Mendizábal, Region Superintendent
South Region Office



SUBJECT: RESPONSES TO AUDIT FINDINGS OF SOUTH REGION OFFICE SCHOOLS

Please find attached the responses to the audit findings for the 2013-2014 fiscal year for Pine Lake Elementary and Laura Saunders Elementary School. South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Pine Lake Elementary School

1. Inadequate Controls Over Bookkeeping Function Led to Misappropriation Of Funds

The South Region Center Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer to thoroughly review the *Manual of Internal Fund Accounting* to ensure compliance with the respective policies and procedures.

The Principal was instructed to meet regularly with the Internal Funds Business Manager to ensure compliance with established procedures.

Laura Saunders Elementary School

1. Inadequate Recordkeeping, Documenting, and Reporting of Payroll

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systematic approach for properly maintaining payroll procedures. This will include a plan for reviewing the Payroll Sign-in Rosters and the monitoring of the hourly sign-in on the Daily Payroll Attendance Sheet.

The Financial/Business Operations Director will conduct quarterly site-reviews to ensure compliance with all the guidelines found in the *Payroll Processing Procedures Manual* to make sure that the daily and hourly payrolls are accurate.

2. School Non-Compliant With FTE-ELL Student Records Resulted in Potential Funding Disallowances

The South Region Office Financial/Business Operations Director instructed the Principal to attend the FTE training when offered by the District.

The Financial/Business Operations Director requested assistance from the Office of Bilingual Education and World Languages to provide training to appropriate staff regarding the proper

maintenance of the ELL/LEP plans. Additionally, The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to conduct mini-reviews each semester for compliance in selected areas of the ELL Program.

Results from the District's mini-reviews will be submitted to the South Region Office Administrative Director. Discrepancies will be discussed with the Principal and corrections will be made accordingly.

Should you need additional information, please contact me at (305) 595-7022.


BAM/Ig
M#32

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

November 19, 2014

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

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

SUBJECT: SCHOOL OPERATIONS RESPONSE TO SCHOOL AUDITS OF SELECTED SCHOOLS IN THE NORTH AND SOUTH REGION OFFICES

School Operations has reviewed the audit exceptions cited in the 2012-2013 and/or 2013-2014 fiscal year(s) audit reports of the following schools reporting to the North and South Region Offices: John G. Dupuis Elementary School, Linda Lentin K-8 Center, M. A. Milam K-8 Center, Norland Middle School, Hialeah Middle School, Laura C. Saunders Elementary School, and Pine Lakes Elementary School. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Directors on mini-reviews conducted in selected areas of Property Management (including Disposal of Equipment), Procurement Credit Card, Payroll, ELL Student Records and Internal Funds.—Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Principals' Summer Institute Professional Development.

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

VGB:cg
M055

cc: Jose Dotres
Region Superintendents
Region Financial/Business Operations Directors

MEMORANDUM

November 7, 2014
PGO#038/2014-2015
305-995-3091

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

FROM: Dr. Pablo G. Ortiz, Associate Superintendent *PHO/AM*
Education Transformation Office

SUBJECT: RESPONSE TO AUDIT REPORTS OF ETO REGION OFFICE SCHOOLS

Please find attached the responses to the audit findings for Carol City Elementary School, Poinciana Elementary School, Miami Southridge Senior High School and North Miami Beach Senior High School. The Education Transformation Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

CAROL CITY ELEMENTARY SCHOOL

RECOMMENDATIONS:

- 1.1. Continue oversight over all financial correspondence to address the issue of proper procedures of incoming correspondence. The school mail and U. S. mail will be reviewed prior to being delivered to the Bookkeeper. This will be resolved and discussed with staff for an understanding of the requirements and expectations, and for implementing corrective action.
- 1.2. Continue to have the Bookkeeper report any concerns/issues/questions/problems relating to the internal funds of the school, especially those that require follow-up.
- 1.3. Continue to use the (FM-1012) and (FM-0992) forms; and periodically review procedures to ensure that forms are properly utilized and completed.
- 1.4. Strengthen the oversight over the internal funds' records. Issues such as: following the Fiscal Year's Closing Instructions, the use of the forms that are required when an order/purchase is placed, and posting and transferring transactions assuring the correct procedures are followed as delineated in the Manual of Internal Funds.
- 1.5. Continue to follow-up of the replacement checks. This issue will be timely resolved and discussed with the Bookkeeper for an understanding of the procedures to collect any open replacement checks.
- 1.6. Review the grants and donations accounts to make a determination for the future use of these accounts. Issues such as: Three dormant accounts from the trust fund will be addressed with a timely resolve. A discussion with the bookkeeper for an understanding of the correct use of these accounts and the expectations for implementing corrective actions.

As a result of the audit findings, the following support activities have been implemented at the Region Level:

- The ETO Region Office Administrative Director directed the Principal to review the *Manual of Internal Funds Accounting* and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

RECOMMENDATIONS:

- 2.1 **The school administration should discuss the Purchasing Credit Card Program guidelines with Staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with P-Card documentation and purchasing requirements.**
- 2.2 **Staff should be reminded that the splitting of purchases to circumvent single transaction limits and purchasing thresholds for requiring quotations/bids is strictly prohibited.**

As a result of the audit findings, the following support activities will be implemented at the Region Level:

- The ETO Region Office Administrative Director directed the Principal to review the *Purchasing Credit Card Policies & Procedures Manual* and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place for making purchases with the credit card.

POINCIANA ELEMENTARY SCHOOL

RECOMMENDATIONS:

- 1.1 **The new school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements.**
- 1.2 **The new school administration should direct staff to ensure that invoices are signed to indicate that goods/services have been received and payment is in order. Similarly, the school administration should direct staff to complete [FM-5707], present them to the Principal for approval and file with the rest of the P-Card records.**
- 1.3 **Strengthen the review over P-Card documentation to ensure compliance with district policy.**

As a result of the audit findings, the following support activities will be implemented at the Region Level:

- The ETO Region Office Administrative Director directed the Principal to review the Purchasing Credit Card Policies & Procedures Manual and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year. Additionally, the Principal was instructed to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place for making purchases with the credit card.

RECOMMENDATIONS:

- 2.1 Review with staff the recording of attendance on the Daily Payroll Attendance Sheets and the completion of leave cards to ensure that payroll records are properly completed.
- 2.2 Direct the payroll clerk to enter all necessary information on the *Temporary Instructors and Paraprofessional Substitutes' Daily Payroll Attendance Sheets* related to the name of the absent employee, the employee number and the payroll's funding structure.
- 2.3 Direct the payroll clerk to file payroll corrections with the payroll records.
- 2.4 Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.

As a result of the audit findings, the following support activities will be implemented at the Region Level:

- The ETO Region Office Administrative Director directed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll documentation; and to implement a set of procedures for reviewing the payroll documentation to ensure that the payroll reported is accurate and the supporting documentation is appropriate, complete, and filed in the school records.

MIAMI SOUTHRIDGE SENIOR HIGH SCHOOL

RECOMMENDATIONS:

- 1.1 Ensure that staff understands and adheres to process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4, and Section IV, Chapter 2 of the Manual.
- 1.2 Enforce with vendors and staff the practice that no orders of goods / merchandise / services shall be placed with vendors without a duly approved purchase order and a contact name; and provided funds are available in the corresponding account to cover the expenditure.

- 1.3 Discuss with staff that any orders not approved by the school may be subject to staff paying for the merchandise from personal funds.
- 1.4 Discuss with staff that the receipt of goods / merchandise at the school site is restricted to goods / merchandise ordered by the school for school-related purposes for which the school is financially responsible. To clearly delineate responsibility, booster clubs and third parties should not be receiving merchandise at the school, or purchase merchandise using the school's name.
- 1.5 Ensure that the loan from the Equalization Fund is paid in full and following the stipulated timelines for installments payments pending at this time.

As a result of the audit findings, the following support activities will be implemented at the Region Level:

- The ETO Region Office Administrative Director will direct the Principal to review the school-developed fundraising procedures with the treasurer, staff, and sponsors. The Principal has been instructed to hold a follow up meeting at the beginning of the school year and as needed throughout the year where sponsors will outline all fundraising activities in advance in order to ensure feasibility and sufficient funding. The Assistant Principal and Treasurer will hold monthly review meetings to monitor fundraising activities.

NORTH MIAMI BEACH SENIOR HIGH SCHOOL

RECOMMENDATIONS

- 1.1. The school administration should discuss the Purchasing Credit Card Program guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements made with the credit card to ensure compliance with District Policy.
- 1.2. The school administration should direct staff to ensure that purchase orders are issued prior to making any charges with the P-Card; and original invoices are obtained, appropriately signed to indicate that goods and services have been received and payment is in order, and filed.
- 1.3. The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which should be from a certified minority enterprise; and 2) the lowest quotation is selected.
- 1.4. The school administration should assess the security of the Purchasing Clerk's office where merchandise and goods are being received to improve safeguarding controls over the merchandise and prevent the possibility that it may be stolen if left unattended.

As a result of the audit findings, the following support activities were implemented at the Region Level:

- The ETO Region Office Administrative Director will direct the Principal to review the Purchasing Credit Card Policies & Procedures Manual and conduct a meeting with all pertinent staff to review policies and procedures in order to ensure compliance throughout the school year.

RECOMMENDATIONS

- 2.1. **At the beginning of the school year and as often as needed, the school administration should discuss with staff the proper procedures for recording payroll for understanding and awareness; and should direct staff to comply with the procedures.**
- 2.2. **The school administration should direct the Payroll Clerk to bring to the attention of the school administration any employee who fails to follow the procedure.**
- 2.3. **The school administration should review the sign-in sheets periodically to ensure that employees are recording their attendance with fidelity and in a timely manner; and should discuss the results of the periodic reviews with those employees who are failing to follow the procedures for their information and corrective action.**

As a result of the audit findings, the following support activities will be implemented at the Region Level:

- The ETO Region Office Administrative Director directed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll documentation; and to implement a set of procedures for reviewing the payroll documentation to ensure that the payroll reported is accurate and the supporting documentation is appropriate, complete, and filed in the school records.

Anti-Discrimination Policy

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In Addition:

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS



INTERNAL AUDIT REPORT SELECTED SCHOOLS DECEMBER 2014

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