



***Miami-Dade County Public Schools***

***Internal Audit Report***

***Selected Schools/Centers***

*The Financial Statements  
Were Fairly Stated  
For All 35 Schools/Centers  
In This Report.*

*At Five Schools/Centers,  
Controls Over The Bookkeeping Function,  
The Management Of The After School  
Care Program, Payroll Sign-In Procedures,  
Title I Program Requirements, And The  
Management Of Property Need  
Improvement.*

*Property Inventory Results  
Were Satisfactory  
For 34 of 35 Schools/Centers  
Reported Herein.*

**December 2017**

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

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# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

**Chief Auditor**  
Jose F. Montes de Oca, CPA

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Dr. Marta Pérez  
Mari Tere Rojas

November 27, 2017

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

Ladies and Gentlemen:

This report includes the audit results of 35 schools/centers currently reporting to the North Region Office, the Central Region Office, the South Region Office, or the Office of Adult/Vocational, Alternative and Community Education within School Operations. The audit period of 19 of the 35 schools/centers is two fiscal years ended June 30, 2017, while the audit period of the remaining 16 schools/centers is one fiscal year ended June 30, 2017. At 22 schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets were properly safeguarded. The audits included a review of internal funds at all 35 schools/centers. On a selected basis, we reviewed Title I Program procedures and Full-Time Equivalent (FTE) reporting and student records. Generally as part of audit follow-ups, we reviewed payroll, the Purchasing Card program, and certain aspects of school site data security. The audits also included the results of property inventories of all 35 schools/centers reported herein.

Audit results proved satisfactory at 30 of the 35 schools/centers reported herein, and property inventory results for most schools/centers were also satisfactory. Notwithstanding the individual school findings included in this report, the financial statements of all 35 schools/centers reported herein were fairly stated. At five schools/centers, depending on the school audited, our audits identified weaknesses in the execution of the bookkeeping function and the completeness/organization of the internal funds records; non-compliance with disbursement guidelines; inadequate controls over the management of the After School Care Program and over the corresponding payment and attendance records; lapses in compliance with payroll sign-in procedures; non-compliance with Title I Program requirements; and insufficient controls over the management of property. At Miami Jackson Adult Education Center, the internal audit (which discovered non-compliance with certain bookkeeping guidelines), was preceded by an investigation conducted by the Office of the Inspector General (OIG), who discovered a fraudulent payroll scheme for which the former Principal was responsible. The former Principal resigned; however, the OIG investigation is still ongoing.

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

Sincerely,

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

JFM:mtg



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## EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 35 schools/centers. These include eleven (11) that report to the North Region Office; eleven (11) that report to the Central Region Office; nine (9) that report to the South Region Office and four (4) that report to the Office of Adult/Vocational, Alternative and Community Education within School Operations. For 19 of the schools/centers reported herein, the scope of the audit was two fiscal years ended June 30, 2017. For the remaining 16 schools/centers, the scope of the audit was one fiscal year ended June 30, 2017. At 22 schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The audits disclosed that 30 of the 35 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The five (5) schools/centers with audit findings and the affected areas are as follows:

Work Loc. No.	Name of School/Center <i>Principal's Tenure</i>	Region/ District Office	Audit Scope	Change Of Principal Since Prior Audit	Prior Audit Findings At This School/Center	Current Audit-- Total Audit Findings Per School/Center	Findings Per Category				
							Internal Funds		Payroll Sign-In Proc.	Title I Program	Property
							Book-keeping	After School Care Program			
0361	1. Biscayne Gardens Elementary <i>Same Principal as in prior audit-no change.</i>	North	2015-2016 2016-2017	No	No	1		1			
3861	2. North Glade Elementary <i>Current audit findings under former Principal. New Principal effective July 2017.</i>	North	2015-2016 2016-2017	Yes	No	1	1				
6031	3. Brownsville Middle <i>Current and prior audit findings mostly under same (former) Principal-same area. Part of property finding can be attributed to former Principal. New Principal effective July 2017.</i>	Central	2016-2017	Yes	Yes	3	1			1	1
2901	4. Leisure City K-8 Center <i>Current and prior audit finding under same Principal-same area. Same Principal as in prior audit-no change.</i>	South	2015-2016 2016-2017	No	Yes	1			1		
7342	5. Miami Jackson Adult Ed. Ctr. <i>Current and prior audit findings under same (former) Principal-same area. New Principal effective July 2017.</i>	Adult Ed.	2015-2016 2016-2017	Yes	Yes	1	1 <sup>1</sup>				
<b>TOTALS</b>	<b>5 schools/centers</b>					<b>7</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

As depicted in the table above, depending on the individual school audited, we noted certain deficiencies in the execution of the bookkeeping function and the completeness/organization of the internal funds records; non-compliance with

<sup>1</sup> In addition to bookkeeping issues, the finding addresses non-compliance with disbursement guidelines.

disbursement guidelines; inadequate controls over the management of the After School Care Program and over the corresponding payment and attendance records; lapses in compliance with payroll sign-in procedures; non-compliance with Title I Program requirements; and insufficient controls over the management of property. The table also illustrates the audit scope of the individual school/center, whether a change of Principal since the prior audit occurred, the tenure of the administration under which the finding was assessed, and whether findings were recurrent/consecutive. At Miami Jackson Adult Education Center, the internal audit (which discovered non-compliance with certain bookkeeping guidelines, as noted in this report), was preceded by an investigation conducted by the Office of the Inspector General (OIG), who discovered a fraudulent payroll scheme for which the former Principal was responsible. The former Principal resigned; however, the OIG investigation is still ongoing.

More specific details regarding prior/current findings, names of Principals and timeframes of their administrative assignments are provided on pages 24-31 of this report.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools/centers in this report is presented on pages 24-27. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 38-75); and in the *Appendix Section* in memorandum format (Pages 86-106).

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to *the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 32-33), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 32-33) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit). Regarding Coral Gables Adult Education Center, Miami Jackson Adult Education Center and North Miami Adult Education Center, the financial statements of the internal funds of these three centers present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting<sup>2</sup>, depending on the adult education center audited (whether a one-year or a two-year audit).*

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

As of June 30, 2016, for 19<sup>3</sup> schools/centers reported herein, total receipts and disbursements amounted to \$2,997,897 and \$(2,902,562), respectively; while total combined Fund Balance amounted to \$1,365,064 (Pages 12-14).

As of June 30, 2017, for all 35 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,094,720 and \$(5,030,450), respectively; while total combined Fund Balance amounted to \$2,239,203 (Pages 15-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 35 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.

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

## INTERNAL FUNDS

### *Implementation Of New Accounting System At K-12 Centers*

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

The deployment to the new system was accomplished in tiers, where K-12 schools/centers were segregated into four different groups (the first being the pilot group followed by three cohorts). Each group migrated into the new bookkeeping system according to the following schedule under the direction and guidance of various district departments (i.e., Accounting, Treasury Management, Information Technology Services (ITS)), and with technical assistance from the software vendor. Regarding the K-12 centers in this report **with two-year audits**<sup>5</sup>, the summarized group configuration and overall deployment schedule was as follows:

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<sup>3</sup> This report includes 17 K-12 centers and 2 adult education centers with a two-year audit (2015-2016 and 2016-2017); and 14 K-12 centers, one adult education center and one alternative education center with a one-year audit (2016-2017).

<sup>4</sup> Please, refer to *Background Section* on pages 78-80 for additional details.

<sup>5</sup> The 19 two-year audits reported herein involve 17 K-12 centers and 2 adult education centers. The system migration of the two adult education centers happened following a different timeline, which is explained in the next section of this Executive Summary.

Group Designation	MSAF (Legacy) System End Date	eSAS System Available For Conversion	No. Of K-12 Centers In This Report Phasing Into eSAS During 2015-2016
Pilot	9/29/2015	10/1/2015	2
Cohort 1	11/24/2015	12/1/2015	3
Cohort 2	1/27/2016	2/1/2016	7
Cohort 3	2/24/2016	3/1/2016	5
Total K-12 Centers			17

Consequently, the schools in this report converted from the cash basis system of accounting to the new full accrual system on different dates, and these dates are reflected in the Opinion to the financial statements during the year of conversion (2015-2016). Please, refer to Accounting System Conversion Schedule on pages 32-33 for dates specific to each K-12 center reported herein.

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

The internal funds of adult and community education centers/technical colleges were accounted for on the cash basis of accounting until March 31, 2015. In early April 2015, the District migrated the bookkeeping of the internal funds of these centers from a legacy (bookkeeping) system to a web-based full accrual accounting system. Consequently, the legacy accounting systems at Miami Jackson Adult Education Center and North Miami Adult Education Center (the two adult education centers with two-year audits included in this report<sup>6</sup>) were phased out towards the end of 2014-2015. Therefore, their financials are fully accounted for under the new eSAS accounting system.

*Audit Scope Of Miami Jackson Adult Education Center And Investigation Conducted By The Miami-Dade Office Of The Inspector General (OIG)*

At Miami Jackson Adult Education Center, on August 23, 2017, the OIG reported the results of their investigation regarding the school's former Principal and fraudulent payroll practices. The investigation discovered that the former Principal hired an employee to work as a school custodian and paid this employee with district funds; however, the employee was not working at the school but at the former Principal's personal residence. In this case, the scope of our internal audit was limited to the internal funds of the school for the 2015-2016 and 2016-2017 school years, which were under the former Principal's tenure, *and excluded any review of payroll, given the OIG*

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<sup>6</sup> Coral Gables Adult Education's audit scope was one fiscal year ended June 30, 2017. This center was audited at the request of the Principal, since the site administrator (Vice Principal) and Treasurer changed effective 2017-2018. Coral Gables Adult Education is operated under the supervision of a site administrator who reports to the Principal. Coral Gables Adult Education and Miami Senior Adult Education Center report to the same Principal (who is located at Miami Senior Adult Education Center).

*investigation that is still ongoing. As previously agreed upon by our office and the OIG, these payroll matters will be exclusively investigated by the OIG (Page 70).*

#### *Internal Funds-Summary Of Audit Results And Financial Statements' Opinion*

Internal funds records and procedures were reviewed at all 35 schools/centers. At 31 of the 35 schools/centers, we determined there was general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following four schools/centers we found that:

- At Biscayne Gardens Elementary, our review of the records and associated activities of the After School Care and Story Hour Programs disclosed that during its first year of operation (2016-2017), records were disorganized; the payment information on many of the student registration cards was not properly/consistently maintained and the information disclosed many errors and omissions; and attendance rosters and ancillary records were incomplete or not on file. Our projection of revenues that should have been generated by the program (based on student participation) disclosed a revenue shortfall. The monetary shortfall may be the result of inadequate controls, since nothing came to our attention to indicate a misappropriation of funds. The school administration opted to close the program for the 2017-2018 fiscal year. The District contracted a private after school care provider to operate the after school care program at the school site (Pages 38-44).
- At North Glade Elementary, our review of the financial records and bookkeeping practices for the two-year audit period disclosed improper oversight over the bookkeeping of these funds. Discrepancies involved deficits in certain individual internal fund accounts; errors in the recordkeeping of transactions; the use of a signature stamp to sign official documents; incomplete documentation supporting the financial transactions; delays in the remittance of deposits and collections; and discrepancies in the accountability over student activities. *A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration. Current conditions involving account deficits resulted from prior year actions which carried over to the current year* (Pages 45-51).
- At Brownsville Middle, our review of the financial records and bookkeeping practices for the one-year audit period ended June 30, 2017 disclosed improper oversight over the bookkeeping of these funds. Discrepancies involved a comingling of revenues and disbursements from several activities; incomplete documentation; delays in the remittance of collections; and discrepancies in the accountability over student activities. *A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration* (Pages 52-57).
- At Miami Jackson Adult Education Center, our review disclosed that, similar to conditions cited in the prior audit report, the school did not process the transmittal of

tuition fees to the District in a timely manner for a portion of the 2016-2017 fiscal year. Funds remained in the school accounts pending their transmittal to the District until discovery during the recent audit. This matter was corrected in August 2017. Regarding disbursements, the school did not always pay vendors in a timely manner and did not always follow the proper procedures for the acknowledgement of receipt of goods/services. There were a few instances of expenditures charged to an account not allowed under the account's specific guidelines; as well as an instance where procedures for requesting the tagging of capitalized equipment (for property inventory control purposes) purchased through internal funds were not followed. *A new Principal was assigned to this school effective July 2017 and a full-time Treasurer has been hired. During the audit period, part-time staff handled the duties of the Treasurer. Consequently, the conditions cited herein happened under the tenure of the former Principal and part-time acting Treasurers (Pages 70-75).*

## PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 35 schools/centers reported herein.

At these 35 schools/centers, Property Audits staff inventoried approximately 7,400 equipment items with a total approximate cost of \$19.4 million. Of the 35 inventories, 34 proved satisfactory (refer to Property Schedule on Pages 34-37).

- At Brownsville Middle, a new Principal was appointed on July 13, 2017. Our most recent property inventory, which we started on August 24, 2017 and finalized on October 3, 2017 disclosed discrepancies. *A similar condition was noted in our prior audit under the former school administration and reported as part of the school's findings.*

During this property audit, 30 items with an acquisition cost of approximately \$37,000 and a depreciated value of approximately \$2,100, consisting mostly of computer equipment, could not be accounted for. *Approximately half of the losses for this current property audit could be attributed to incidents that took place under the former school administration.* We found that in late December 2016, an incident occurred at the school for which property losses were not reported to Miami-Dade School Police Department in accordance with Plant Security Report's procedures and timelines. Consequently, these items were never removed from the inventory and were part of the most current equipment inventory of the school (Pages 62-65).

Property inventories also include the review of property losses reported by the schools/centers through the Plant Security Report process.

Our analysis of Plant Security Report losses disclosed that eight (8) items with a total depreciated value of approximately \$270 and a total acquisition cost of approximately \$12,600 were reported missing at four (4) of the 35 schools/centers. Items consisted of



computer equipment, custodial equipment, medical equipment and two (2) air conditioning units (Page 37).

## PAYROLL

We reviewed payroll records and procedures at the following nine schools/centers. Most reviews were the result of audit follow-ups to payroll conditions cited in prior audits of the individual schools/centers. At Brownsville Middle, it was corollary to our review of the school's payroll expenditures charged to the Title I Program:

Work Location No.	Schools/Centers	Audit Period	Region
6571	Norland Middle	2016-2017	North
6031	Brownsville Middle	2016-2017	Central
7341	Miami Jackson Senior	2017-2018	Central
3541	Robert R. Moton Elementary	2017-2018	South
4091	Olympia Heights Elementary	2016-2017	South
5281	South Miami Heights Elementary	2016-2017	South
0661	Caribbean K-8 Center	2016-2017	South
2901	Leisure City K-8 Center	2016-2017 and 2017-2018	South
7592	North Miami Adult Education Center	2017-2018	Adult Ed.

At eight of the nine schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*. At one school, the following conditions were noted:

- At Leisure City K-8 Center, similar to the prior audit, we found discrepancies with payroll's sign in procedures for several staff members. These included instances where part-time staff members who were in attendance were not always recording the "time in" and/or "time out" upon arrival/upon departure, as well as instances where full-time employees who were in attendance had not recorded their attendance upon arrival on the attendance rosters. In addition, two full-staff members whose pay could have been impacted by the issuance of overtime or the granting of part-time work were noting their attendance by recording their initials instead of recording the "time in" and "time out" on the rosters (Pages 66-69).

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following three schools/centers. All reviews were corollary to our review of Title I Program disbursements made with the P-Card at the individual schools/centers during the 2016-2017 fiscal year:

Work Location No.	Schools/Centers	Region	Audit Period
6031	Brownsville Middle	Central	2016-2017
4091	Olympia Heights Elementary	South	2016-2017
0661	Caribbean K-8 Center	South	2016-2017

All three schools/centers reviewed were generally compliant with the P-Card Program documentation and procedures.

## TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures corresponding to the 2015-2016 or 2016-2017 fiscal year (depending on the school audited) was conducted at six schools/centers. The following table summarizes the schools/centers reviewed:

Work Location No.	Schools/Centers	Region	Audit Period	Total Expenditures
6571	Norland Middle	North	2016-2017	\$ 780,882
6031	Brownsville Middle	Central	2016-2017	753,146
4091	Olympia Heights Elementary	South	2016-2017	367,017
5281	South Miami Heights Elementary	South	2016-2017	297,766
0661	Caribbean K-8 Center	South	2016-2017	170,337
2901	Leisure City K-8 Center	South	2015-2016	313,498
<b>Total Title I Program Expenditures</b>				<b>\$ 2,682,646</b>

At these six schools/centers, aggregate expenditures incurred under various Title I programs amounted to approximately \$2.7 million. Five of the six schools/centers reviewed were generally compliant with Title I Program documentation and procedures.

- At Brownsville Middle, for the 2016-2017 fiscal year and similar to prior audit results, the school did not maintain on file an inventory of non-capitalized equipment purchased with Title I Program funds and some of the items could not be located. In addition, certain Title I Schoolwide Program funds were not fully utilized. During our verification of equipment purchased with Title I Program funds, we noted that the school had disposed of Title I equipment without the requisite approval from the Department of Title I Administration. *A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration (Pages 58-61).*

### FULL-TIME-EQUIVALENT (FTE) FUNDING

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

Work Location No.	Schools/Centers	Region	Survey Period (SP)	FTE Funding
0361	Biscayne Gardens Elementary	North	2016-2017 SP3	\$ 1,600,776
1521	Amelia Earhart Elementary	North	2016-2017 SP 3	1,418,912
2191	Spanish Lake Elementary	North	2016-2017 SP 3	5,038,549
6541	Nautilus Middle	North	2016-2017 SP 3	2,553,422
4091	Olympia Heights Elementary	South	2016-2017 SP 3	1,276,332
5281	South Miami Heights Elementary	South	2016-2017 SP 3	1,670,907
0661	Caribbean K-8 Center	South	2016-2017 SP 3	1,180,328
2901	Leisure City K-8 Center	South	2016-2017 SP 3	2,571,428
7101	Coral Reef Senior	South	2016-2017 SP 3	8,512,599
<b>Total FTE Funding:</b>				<b>\$ 25,823,253</b>

The total FTE funding amounted to approximately \$25.8 million for the nine schools/centers combined. FTE records reviewed corresponded to the 2016-2017 Survey Period 3 (February 2017), as noted in the table above. Our FTE reviews disclosed that all nine schools/centers were generally compliant with District policy.

## DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following four schools/centers. At Miami Jackson Senior, our review was the result of an audit follow-up to conditions cited in the school’s prior audit. At the remaining schools, our review was corollary to the Title I Program audit conducted this year:

Work Location No.	Schools/Centers	Audit Period	Region
6571	Norland Middle	2017-2018	North
6031	Brownsville Middle	2017-2018	Central
7341	Miami Jackson Senior	2017-2018	Central
5281	South Miami Heights Elementary	2017-2018	South

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

## AUDIT OPINION

The following tables summarize total receipts, disbursements and Fund Balance as of June 30, 2016 and/or June 30, 2017, for the 35 schools/centers included herein, depending on the year(s) audited for each individual school/center<sup>7</sup>. It also provides the audit opinion regarding the schools/centers' financial statements:

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<sup>7</sup> This report includes a total of 35 schools/centers, of which 19 underwent a two-year audit ended June 30, 2017, and 16 underwent a one-year audit ended June 30, 2017.

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

The Condensed Annual Financial Report and Total Cash and Investments as of June 30, 2016 for 19 of the 35 schools/centers are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0361	Biscayne Gardens Elementary	\$ 15,886.67	\$ 32,260.42	\$ (33,106.23)	\$ 15,040.86	\$ 2,253.54	\$ 12,787.32	\$ -	\$ -	\$ -	\$ 15,040.86
1161	Crestview Elementary	7,655.57	24,505.76	(23,185.62)	8,975.71	4,345.55	4,630.16	-	-	-	8,975.71
1521	Amelia Earhart Elementary	15,597.56	69,130.78	(67,636.64)	17,091.70	4,609.12	12,482.58	-	-	-	17,091.70
4801	Gertrude K. Edelman/Sabal Palm Elementary	14,761.24	21,054.72	(23,201.01)	12,614.95	4,889.90	7,725.05	-	-	-	12,614.95
3861	North Glade Elementary	16,142.31	28,324.17	(26,570.22)	17,896.26	13,409.58	4,486.68	-	-	-	17,896.26
2191	Spanish Lake Elementary	15,342.19	72,680.27	(72,088.64)	15,933.82	4,454.24	11,479.58	-	-	-	15,933.82
0241	Ruth K. Broad/Bay Harbor K-8 Center	29,731.21	432,118.17	(425,866.46)	35,982.92	12,356.98	23,625.94	-	-	-	35,982.92
6281	Thomas Jefferson Middle	17,473.59	40,152.58	(39,574.21)	18,051.96	5,643.17	12,408.79	-	-	-	18,051.96
6541	Nautilus Middle	33,268.80	98,458.99	(106,609.50)	25,118.29	6,947.36	18,170.93	-	-	-	25,118.29

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
6571	Norland Middle	44,801.45	143,285.94	(126,460.73)	61,626.66	22,626.39	39,000.27	-	-	-	61,626.66
<u>Central Region Office School/Center</u>											
7341	Miami Jackson Senior	66,971.48	395,314.57	(391,160.70)	71,125.35	11,558.05	59,567.30	-	-	-	71,125.35
<u>South Region Office Schools/Centers</u>											
3541	Robert R. Moton Elementary	13,962.82	13,445.57	(13,721.60)	13,686.79	5,202.47	8,484.32	-	-	-	13,686.79
4091	Olympia Heights Elementary	10,417.25	32,176.01	(31,802.64)	10,790.62	9,091.94	1,698.68	-	-	-	10,790.62
5281	South Miami Heights Elementary	17,539.44	25,279.48	(26,708.57)	16,110.35	9,674.70	6,435.65	-	-	-	16,110.35
0661	Caribbean K-8 Center	11,415.07	13,243.97	(12,857.08)	11,801.96	5,074.36	6,727.60	-	-	-	11,801.96
2901	Leisure City K-8 Center	18,676.43	72,830.09	(72,169.62)	19,336.90	5,176.79	14,160.11	-	-	-	19,336.90
7101	Coral Reef Senior	300,545.60	1,159,584.88	(1,152,016.79)	308,113.69	81,042.91	227,070.78	-	-	-	308,113.69

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>Adult Education Centers</u>											
7342	Miami Jackson Adult Education Center	40,219.20	72,012.86	(72,491.51)	39,740.55	29,542.26	9,797.05	-	401.24	-	39,740.55
7592	North Miami Adult Education Center	579,321.19	252,037.36	(185,334.22)	646,024.33	50,477.11	529,263.59	-	66,283.63	-	646,024.33
<b>TOTALS</b>		\$1,269,729.07	\$2,997,896.59	\$(2,902,561.99)	\$1,365,063.67	\$288,376.42	\$1,010,002.38	\$-	\$66,684.87	\$-	\$1,365,063.67



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

The Condensed Annual Financial Reports and Fund Balance as of June 30, 2017 for the 35 schools/centers reported herein are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0361	Biscayne Gardens Elementary	\$ 15,040.86	\$ 59,058.02	\$ (57,726.80)	\$ 16,372.08	\$ 2,956.35	\$ 13,415.73	\$ -	\$ -	\$ -	\$ 16,372.08
1161	Crestview Elementary	8,975.71	36,168.76	(40,324.65)	4,819.82	983.97	4,675.79	-	-	(839.94)	4,819.82
1521	Amelia Earhart Elementary	17,091.70	63,650.49	(64,174.16)	16,568.03	3,962.40	12,605.63	-	-	-	16,568.03
4801	Gertrude K. Edelman/Sabal Palm Elementary	12,614.95	37,384.82	(36,484.10)	13,515.67	5,714.48	7,801.19	-	-	-	13,515.67
3861	North Glade Elementary	17,896.26	19,936.43	(21,493.40)	16,339.29	11,808.39	4,530.90	-	-	-	16,339.29
2191	Spanish Lake Elementary	15,933.82	76,791.21	(76,971.37)	15,753.66	6,166.66	9,587.00	-	-	-	15,753.66
0241	Ruth K. Broad/Bay Harbor K-8 Center	35,982.92	458,589.39	(455,790.09)	38,782.22	11,920.41	26,861.81	-	-	-	38,782.22
6281	Thomas Jefferson Middle	18,051.96	38,071.69	(36,367.43)	19,756.22	7,237.51	12,518.71	-	-	-	19,756.22
6541	Nautilus Middle	25,118.29	111,421.58	(104,458.26)	32,081.61	7,633.18	24,448.43	-	-	-	32,081.61

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

Work Loc. No.	Schools/Centers	Annual Financial Report					Fund Balance				
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
6571	Norland Middle	61,626.66	212,306.57	(218,323.19)	55,610.04	16,225.35	39,384.69	-	-	-	55,610.04
6631	North Miami Middle	16,296.04	89,150.29	(85,010.14)	20,436.19	8,121.66	12,314.53	-	-	-	20,436.19
<u>Central Region Office Schools/Centers</u>											
3041	Lorah Park Elementary	13,901.65	12,240.14	(10,213.87)	15,927.92	4,391.30	11,536.62	-	-	-	15,927.92
3021	Jesse J. McCrary, Jr. Elementary	8,159.74	24,249.16	(24,557.84)	7,851.06	6,595.37	1,255.69	-	-	-	7,851.06
4501	Poinciana Park Elementary	5,328.89	12,410.39	(12,756.31)	4,982.97	3,309.42	1,673.55	-	-	-	4,982.97
5561	Frances S. Tucker Elementary	8,687.68	31,878.20	(33,588.85)	6,977.03	5,050.26	1,926.77	-	-	-	6,977.03
1401	Charles R. Drew K-8 Center	11,143.87	64,115.00	(65,971.32)	9,287.55	1,322.06	7,965.49	-	-	-	9,287.55
1721	Everglades K-8 Center	33,054.50	284,692.62	(285,233.91)	32,513.21	18,892.74	13,620.47	-	-	-	32,513.21
6031	Brownsville Middle	24,945.20	30,943.32	(30,863.51)	25,025.01	4,530.29	20,494.72	-	-	-	25,025.01
6391	Madison Middle	11,804.52	30,519.95	(19,956.98)	22,367.49	5,798.76	16,568.73	-	-	-	22,367.49

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
6411	Horace Mann Middle	24,651.32	45,884.75	(47,189.28)	23,346.79	11,860.49	11,486.30	-	-	-	23,346.79
6741	Ponce de Leon Middle	39,249.71	166,426.17	(165,041.75)	40,634.13	10,084.71	30,549.42	-	-	-	40,634.13
7341	Miami Jackson Senior	71,125.35	432,681.85	(445,208.28)	58,598.92	11,593.43	45,076.49	-	1,929.00	-	58,598.92
<u>South Region Office Schools/Centers</u>											
3541	Robert R. Moton Elementary	13,686.79	9,514.51	(9,702.21)	13,499.09	4,931.14	8,567.95	-	-	-	13,499.09
4091	Olympia Heights Elementary	10,790.62	12,382.18	(10,948.74)	12,224.06	3,892.45	8,331.61	-	-	-	12,224.06
5281	South Miami Heights Elementary	16,110.35	15,860.82	(15,946.92)	16,024.25	9,525.16	6,499.09	-	-	-	16,024.25
0661	Caribbean K-8 Center	11,801.96	8,781.86	(10,811.10)	9,772.72	2,978.80	6,793.92	-	-	-	9,772.72
2901	Leisure City K-8 Center	19,336.90	61,350.40	(61,242.19)	19,445.11	5,145.43	14,299.68	-	-	-	19,445.11
6251	Homestead Middle	23,389.34	52,149.96	(57,914.43)	17,624.87	1,485.35	16,139.52	-	-	-	17,624.87
7101	Coral Reef Senior	308,113.69	1,274,023.57	(1,241,206.67)	340,930.59	111,621.56	229,309.03	-	-	-	340,930.59

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7741	Southwest Miami Senior	165,892.60	749,817.17	(756,231.36)	159,478.41	34,875.07	124,603.34	-	-	-	159,478.41
9732	Brucie Ball Educational Center	14,968.35	13,258.08	(1,090.79)	27,135.64	519.38	26,616.26	-	-	-	27,135.64
<u>Adult Education Centers</u>											
7072	Coral Gables Adult Education Center	386,079.44	115,128.30	(112,144.87)	389,062.87	66,578.34	319,419.69	-	3,064.84	-	389,062.87
7342	Miami Jackson Adult Education Center	39,740.55	94,148.34	(100,874.53)	33,014.36	44,149.49	9,893.61	-	256.26	(21,285.00)	33,014.36
7592	North Miami Adult Education Center	646,024.33	288,401.67	(255,568.34)	678,857.66	11,133.52	564,525.85	-	103,198.29	-	678,857.66
<u>Alternative Education Center</u>											
8121	COPE Center North	22,316.19	61,332.37	(59,062.37)	24,586.19	17,252.56	7,333.63	-	-	-	24,586.19
<b>TOTALS</b>		\$2,174,932.71	\$5,094,720.03	\$ (5,030,450.01)	\$2,239,202.73	\$480,247.44	\$1,672,631.84	\$ -	\$108,448.39	\$(22,124.94)	\$2,239,202.73

## AUDIT OPINION

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

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 32-33), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 32-33) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit). Regarding Coral Gables Adult Education Center, Miami Jackson Adult Education Center and North Miami Adult Education Center, the financial statements of the internal funds of these three centers present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting<sup>8</sup>, depending on the adult education center audited (whether a one-year or a two-year audit).

As of June 30, 2016, for 19<sup>9</sup> schools/centers reported herein, total receipts and disbursements amounted to \$2,997,897 and \$(2,902,562), respectively; while total combined Fund Balance amounted to \$1,365,064 (Pages 12-14).

As of June 30, 2017, for all 35 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,094,720 and \$(5,030,450), respectively; while total combined Fund Balance amounted to \$2,239,203 (Pages 15-18).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 35 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.

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

*Maria T. Gonzalez*

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

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<sup>8</sup> K-12 centers migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

<sup>9</sup> This report includes 17 K-12 centers and 2 adult education centers with a two-year audit (2015-2016 and 2016-2017) and 14 K-12 centers, one adult education center and one alternative education center with a one-year audit (2016-2017).

## INTERNAL CONTROLS RATING

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

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Biscayne Gardens Elementary		✓			✓		Likely to impact.
North Glade Elementary		✓			✓		Likely to impact.
<u>Central Region Office School/Center</u>							
Brownsville Middle		✓			✓		Likely to impact.
<u>South Region Office School/Center</u>							
Leisure City K-8 Center		✓			✓		Likely to impact.
<u>Adult Education Center</u>							
Miami Jackson Adult Education Center		✓			✓		Likely to impact.

## INTERNAL CONTROLS RATING

The internal control ratings for the 30 schools/centers reported herein **without audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Crestview Elementary	✓			✓			Not Likely to impact.
Amelia Earhart Elementary	✓			✓			Not Likely to impact.
Gertrude K. Edelman/Sabal Palm Elementary	✓			✓			Not Likely to impact.
Spanish Lake Elementary	✓			✓			Not Likely to impact.
Ruth K. Broad/Bay Harbor K-8 Center	✓			✓			Not Likely to impact.
Thomas Jefferson Middle	✓			✓			Not Likely to impact.
Nautilus Middle	✓			✓			Not Likely to impact.
Norland Middle	✓			✓			Not Likely to impact.
North Miami Middle	✓			✓			Not Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Lorah Park Elementary	✓			✓			Not Likely to impact.
Jesse J. McCrary, Jr. Elementary	✓			✓			Not Likely to impact.

## INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Poinciana Park Elementary	✓			✓			Not Likely to impact.
Frances S. Tucker Elementary	✓			✓			Not Likely to impact.
Charles R. Drew K-8 Center	✓			✓			Not Likely to impact.
Everglades K-8 Center	✓			✓			Not Likely to impact.
Madison Middle	✓			✓			Not Likely to impact.
Horace Mann Middle	✓			✓			Not Likely to impact.
Ponce de Leon Middle	✓			✓			Not Likely to impact.
Miami Jackson Senior	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Robert R. Moton Elementary	✓			✓			Not Likely to impact.
Olympia Heights Elementary	✓			✓			Not Likely to impact.
South Miami Heights Elementary	✓			✓			Not Likely to impact.
Caribbean K-8 Center	✓			✓			Not Likely to impact.
Homestead Middle	✓			✓			Not Likely to impact.
Coral Reef Senior	✓			✓			Not Likely to impact.
Southwest Miami Senior	✓			✓			Not Likely to impact.



## INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Brucie Ball Educational Center	✓			✓			Not Likely to impact.
<u>Adult Education Centers</u>							
Coral Gables Adult Education Center	✓			✓			Not Likely to impact.
North Miami Adult Education Center	✓			✓			Not Likely to impact.
<u>Alternative Education Center</u>							
COPE Center North	✓			✓			Not Likely to impact.

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

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
0361	Biscayne Gardens Elementary <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	1	• After School Care Program	None	
3861	North Glade Elementary <sup>(b)</sup>	Int. Funds: 2015-2016 2016-2017	1	• Bookkeeping/ Financial Mgt./ Receipts & Deposits	None	
<u>Central Region Office School/Center</u>						
6031	Brownsville Middle <sup>(c)</sup>	Int. Funds, Payroll, P-Card & Title I: 2016-2017 Data Security: 2017-2018	3	• Bookkeeping • Title I Program • Property Mgt.	2	• Title I Program • Property Mgt.
<u>South Region Office School/Center</u>						
2901	Leisure City K-8 Center <sup>(d)</sup>	Int. Funds: 2015-2016 2016-2017 Title I: 2015-2016 <i>FTE: 2016-17 SP3</i> Payroll: 2016-2017 2017-2018	1	• Payroll Sign-In Procedures	2	• Payroll • FTE-ELL
<u>Adult Education Center</u>						
7342	Miami Jackson Adult Ed. Center <sup>(e)</sup>	Int. Funds: 2015-2016 2016-2017	1	• Bookkeeping and Disbursement Guidelines	1	• Bookkeeping
<b>TOTAL</b>			<b>7</b>		<b>5</b>	

Notes:

- (a) No change of Principal since prior audit.
- (b) Change of Principal since prior audit (in July 2017). Findings happened under the tenure of the former school administration.
- (c) Change of Principal since prior audit (in July 2017). Current finding in Bookkeeping area and prior/current audit finding in Title I Program area happened under the tenure of the former school administration. Prior Property Mgt. finding and part of current Property Mgt. finding attributed to former school administration. Most current findings similar to those in prior audit (Title I and Property Mgt.).
- (d) No change of Principal since prior audit. Prior and current audit findings in same area (Payroll).
- (e) Change of Principal since prior audit (in July 2017). Findings happened under the tenure of the former school administration. Prior and current audit findings in similar area (payroll).

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

Summary of findings of the 30 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
1161	Crestview Elementary	Int. Funds: 2015-2016 2016-2017	None		None	
1521	Amelia Earhart Elementary	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
4801	Gertrude K. Edelman/Sabal Palm Elementary	Int. Funds: 2015-2016 2016-2017	None		None	
2191	Spanish Lake Elementary	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
0241	Ruth K. Broad/Bay Harbor K-8 Center <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017	None		None	
6281	Thomas Jefferson Middle <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017	None		None	
6541	Nautilus Middle	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
6571	Norland Middle	Int. Funds: 2015-2016 2016-2017 Payroll & Title I: 2016-2017 Data Security: 2017-2018	None		1	<ul style="list-style-type: none"> <li>• Hourly Payroll/ Title I Program</li> </ul>
6631	North Miami Middle <sup>(a)</sup>	Int. Funds: 2016-2017	None		2	<ul style="list-style-type: none"> <li>• Bookkeeping/ Fin. Mgt.</li> <li>• Disbursements</li> </ul>
<u>Central Region Office Schools/Centers</u>						
3041	Lorah Park Elementary <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	

Note:

(a) Change of Principal/Site Administrator since prior audit.

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
3021	Jesse J. McCrary, Jr. Elementary <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
4501	Poinciana Park Elementary <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
5561	Frances S. Tucker Elementary <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
1401	Charles R. Drew K-8 Center <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
1721	Everglades K-8 Center <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
6391	Madison Middle <sup>(a)</sup>	Int. Funds: 2016-2017	None		4	<ul style="list-style-type: none"> <li>• Fin. Mgt.</li> <li>• Disbursements</li> <li>• Field Trips</li> <li>• FTE-ESOL/SPED (2016-2017)</li> </ul>
6411	Horace Mann Middle <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
6741	Ponce de Leon Middle <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
7341	Miami Jackson Senior <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017 Payroll & Data Security: 2017-2018	None		2	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Data Security</li> </ul>
<u>South Region Office Schools/Centers</u>						
3541	Robert R. Moton Elementary	Int. Funds: 2015-2016 2016-2017 Payroll: 2017-2018	None		1	<ul style="list-style-type: none"> <li>• Hourly Payroll</li> </ul>
4091	Olympia Heights Elementary	Int. Funds: 2015-2016 2016-2017 Payroll, P-Card & Title I: 2016-2017 FTE: 2016-17 SP3	None		1	<ul style="list-style-type: none"> <li>• Hourly Payroll/ Title I Program</li> </ul>

Note:

(a) Change of Principal/Site Administrator since prior audit.

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
5281	South Miami Heights Elementary	Int. Funds: 2015-2016 2016-2017 Payroll & Title I: 2016-2017 FTE: 2016-17 SP3 Data Security: 2017-2018	None		1	<ul style="list-style-type: none"> <li>Hourly Payroll/ Title I Program</li> </ul>
0661	Caribbean K-8 Center <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017 Payroll, P-Card & Title I: 2016-2017 FTE: 2016-17 SP3	None		2	<ul style="list-style-type: none"> <li>Hourly Payroll/ Title I Program</li> <li>FTE-SPED</li> </ul>
6251	Homestead Middle <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
7101	Coral Reef Senior	Int. Funds: 2015-2016 2016-2017 FTE: 2016-17 SP3	None		None	
7741	Southwest Miami Senior <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
9732	Brucie Ball Educational Center <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
<u>Adult Education Centers</u>						
7072	Coral Gables Adult Education Center <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
7592	North Miami Adult Education Center	Int. Funds: 2015-2016 2016-2017 Payroll: 2017-2018	None		3	<ul style="list-style-type: none"> <li>Bookkeeping</li> <li>Disbursements</li> <li>Payroll</li> </ul>
<u>Alternative Education Center</u>						
8121	COPE Center North <sup>(a)</sup>	Int. Funds: 2016-2017	None		None	
<b>TOTAL</b>			<b>None</b>		<b>17</b>	

Note:

(a) Change of Principal/Site Administrator since prior audit.

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
0361	Biscayne Gardens Elementary	Ms. Deborah G. Riera	N/A = No Change of Principal Since Prior Audit.
3861	North Glade Elementary <sup>(a)</sup>	Ms. Ann M. Lewis	Mr. Raymond J. Sands (Through July 2017; presently Principal at Charles R. Drew K-8 Center).
<u>Central Region Office School/Center</u>			
6031	Brownsville Middle <sup>(a)</sup>	Mr. Marcus L. Miller	Dr. Ebony N. Dunn (Through July 2017; presently Principal at COPE Center North).
<u>South Region Office School/Center</u>			
2901	Leisure City K-8 Center	Mr. Kenneth L. Williams	N/A = No Change of Principal Since Prior Audit.
<u>Adult Education Center</u>			
7342	Miami Jackson Adult Education Center <sup>(a)</sup>	Mr. Ron A. Butler	Mr. Joey Bautista (Through June 2017; resigned).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (22 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the 30 schools/centers **without audit exceptions**. **The highlighted table cell represents the principal(s)/administrator(s) in charge of the school/center during the audit period:**

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
1161	Crestview Elementary	Ms. Maria V. Kerr	Ms. Sabrina J. Montilla (Through January 2016; retired). ----- Ms. Maria V. Kerr
1521	Amelia Earhart Elementary	Ms. Lisa K. Wiggins	N/A = No Change of Principal Since Prior Audit.
4801	Gertrude K. Edelman/Sabal Palm Elementary	Ms. Alicia M. Costa-DeVito	N/A = No Change of Principal Since Prior Audit.
2191	Spanish Lake Elementary	Ms. Jacqueline Arias-Gonzalez	N/A = No Change of Principal Since Prior Audit.
0241	Ruth K. Broad/Bay Harbor K-8 Center <sup>(a)</sup>	Mr. Scott H. Saperstein	Dr. Maria T. Rodriguez (Through June 2017; presently Principal at Miami Beach Senior High School).
6281	Thomas Jefferson Middle <sup>(a)</sup>	Mr. Alexander Santoyo	Ms. Robin Y. Atkins (Through October 2017; presently Region Administrative Director at the Central Region Office).
6541	Nautilus Middle	Mr. Rene Bellmas	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.
6631	North Miami Middle <sup>(a)</sup>	Ms. Miriam Walker	Mr. Patrick Lacouty (Through July 2017; presently Principal at North Miami Senior High School).
<u>Central Region Office Schools/Centers</u>			
3041	Lorah Park Elementary <sup>(a)</sup>	Ms. Atunya R. Walker	Ms. Maria L. LaCavalla (Through July 2017; retired).
3021	Jesse J. McCrary, Jr. Elementary <sup>(a)</sup>	Ms. Trellany M. Parrish-Gay	Ms. Maria E. Calvet-Cuba (Through July 2017; presently Principal at Caribbean K-8 Center).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (22 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
4501	Poinciana Park Elementary <sup>(a)</sup>	Ms. Tania L. Jones	Dr. Amrita J. Prakash (Through July 2017; presently Principal at Bruce Ball Educational Center).
5561	Frances S. Tucker Elementary <sup>(a)</sup>	Ms. Fredrelette B. Pickett	Ms. Annette DeGoti (Through July 2017; presently Principal at Southside Elementary School).
1401	Charles R. Drew K-8 Center <sup>(a)</sup>	Mr. Raymond J. Sands	Ms. Tracie N. Abner (Through June 2017; presently Administrative Director, Instructional Support, Educational Transformation Office).
1721	Everglades K-8 Center <sup>(a)</sup>	Mr. Ramon J. Garrigo	Dr. Lilia A. Dobao (Through July 2017; presently Principal at Toussaint L'Ouverture Elementary School).
6391	Madison Middle <sup>(a)</sup>	Mr. David T. Ladd	Dr. Philippe J. Napoleon (Through June 2017; presently Principal at Miami Park Elementary School).
6411	Horace Mann Middle <sup>(a)</sup>	Mr. Kevin E. Lawrence	Mr. Leon P. Maycock (Through June 2017; presently Principal at Miami Edison Senior High School).
6741	Ponce de Leon Middle <sup>(a)</sup>	Mr. Hebert M. Penton	Ms. Martha C. Chang (Through June 2017; resigned).
7341	Miami Jackson Senior <sup>(a)</sup>	Ms. Rennina L. Turner	Dr. Carlos Rios (Through July 2017; presently Principal at Southwest Miami Senior High School).
<b><u>South Region Office Schools/Centers</u></b>			
3541	Robert R. Moton Elementary	Mr. Eric L. Wright	N/A = No Change of Principal Since Prior Audit.
4091	Olympia Heights Elementary	Ms. Francisca C. Nobregas	N/A = No Change of Principal Since Prior Audit.
5281	South Miami Heights Elementary	Ms. Suzet M. Hernandez	N/A = No Change of Principal Since Prior Audit.
0661	Caribbean K-8 Center <sup>(a)</sup>	Ms. Maria E. Calvet-Cuba	Dr. Alina M. Diaz-Blanco (Through July 2017; presently Principal at International Studies Preparatory Academy).
6251	Homestead Middle <sup>(a)</sup>	Dr. Contessa S. Bryant	Mr. Keith A. Anderson (Through June 2017; presently Principal at Redondo Elementary School).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (22 schools/centers).



## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
7101	Coral Reef Senior	Mr. Thomas P. Ennis	N/A = No Change of Principal Since Prior Audit.
7741	Southwest Miami Senior <sup>(a)</sup>	Dr. Carlos Rios	Mr. Carlos A. Diaz (Through June 2017; presently District Director at the Office of Professional Standards).
9732	Brucie Ball Educational Center <sup>(a)</sup>	Dr. Amrita J. Prakash	Ms. Deborah C. Wehking (Through July 2017; retired).
<u>Adult Education Centers</u>			
7072	Coral Gables Adult Education Center <sup>(a)</sup>	Ms. Eida Herrera, Vice Principal (Site Administrator) Mr. Alan J. Bashaw, Principal	Ms. Tracie M. Mc Cullough, Vice Principal (Site Administrator) (Through July 2017; presently Vice Principal at Hialeah-Miami Lakes Adult Education Center). Mr. Alan J. Bashaw, Principal
7592	North Miami Adult Education Center	Mr. Franklyn J. Glasford	N/A = No Change of Principal Since Prior Audit.
<u>Alternative Education Center</u>			
8121	COPE Center North <sup>(a)</sup>	Dr. Ebony N. Dunn	Ms. Valerie O. Gilchrist (Through July 2017; presently Principal at Hibiscus Elementary School).

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (22 schools/centers).

## ACCOUNTING SYSTEM CONVERSION SCHEDULE

Not all the schools/centers within the same group migrated to the new system on the same date. Although the system was available on the dates noted below for each of the pilot group/cohort groups, schools/centers were directed not to input any information until they attended the “Go Live” meeting scheduled at ITS, where Treasurers were given guidance on how to migrate to the new system and initialize the financial information in the new system. The table below summarizes the information for the 35 schools/centers reported herein:

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	“Go Live” Session Scheduled Date
<u>North Region Office Schools/Centers</u>					
0361	Biscayne Gardens Elementary	Cohort 1	11/24/15	12/1/15	12/3/15
1161	Crestview Elementary	Cohort 2	1/27/16	2/1/16	2/3/16
1521	Amelia Earhart Elementary	Cohort 2	1/27/16	2/1/16	2/3/16
4801	Gertrude K. Edelman/Sabal Palm Elementary	Cohort 3	2/24/16	3/1/16	3/3/16
3861	North Glade Elementary	Cohort 3	2/24/16	3/1/16	3/2/16
2191	Spanish Lake Elementary	Cohort 2	1/27/16	2/1/16	2/4/16
0241	Ruth K. Broad/Bay Harbor K-8 Center	Pilot	9/29/15	10/1/15	10/5/15
6281	Thomas Jefferson Middle	Cohort 1	11/24/15	12/1/15	12/3/15
6541	Nautilus Middle	Cohort 1	11/24/15	12/1/15	12/3/15
6571	Norland Middle	Cohort 2	1/27/16	2/1/16	2/5/16
6631	North Miami Middle <sup>(a)</sup>				
<u>Central Region Office Schools/Centers</u>					
3041	Lorah Park Elementary <sup>(a)</sup>				
3021	Jesse J. McCrary, Jr. Elementary <sup>(a)</sup>				
4501	Poinciana Park Elementary <sup>(a)</sup>				
5561	Frances S. Tucker Elementary <sup>(a)</sup>				
1401	Charles R. Drew K-8 Center <sup>(a)</sup>				
1721	Everglades K-8 Center <sup>(a)</sup>				

Note:

(a) At this K-12 Center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit period reported herein (2016-2017) was fully accounted for under the eSAS system.

## ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
6031	Brownsville Middle <sup>(a)</sup>				
6391	Madison Middle <sup>(a)</sup>				
6411	Horace Mann Middle <sup>(a)</sup>				
6741	Ponce de Leon Middle <sup>(a)</sup>				
7341	Miami Jackson Senior	Pilot	9/29/15	10/1/15	10/5/15
<u>South Region Office Schools/Centers</u>					
3541	Robert R. Moton Elementary	Cohort 3	2/24/16	3/1/16	3/2/16
4091	Olympia Heights Elementary	Cohort 3	2/24/16	3/1/16	3/2/16
5281	South Miami Heights Elementary	Cohort 3	2/24/16	3/1/16	3/3/16
0661	Caribbean K-8 Center	Cohort 2	1/27/16	2/1/16	2/3/16
2901	Leisure City K-8 Center	Cohort 2	1/27/16	2/1/16	2/4/16
6251	Homestead Middle <sup>(a)</sup>				
7101	Coral Reef Senior	Cohort 2	1/27/16	2/1/16	2/5/16
7741	Southwest Miami Senior <sup>(a)</sup>				
9732	Brucie Ball Educational Center <sup>(a)</sup>				
<u>Adult Education Centers</u>					
7072	Coral Gables Adult Education Center <sup>(b)</sup>				
7342	Miami Jackson Adult Education Center <sup>(b)</sup>				
7592	North Miami Adult Education Center <sup>(b)</sup>				
<u>Alternative Education Center</u>					
8121	COPE Center North <sup>(a)</sup>				
<b>TOTAL</b>		<b>35 schools/centers</b>			

Notes:

- (a) At this K-12 Center, the migration to the new system happened in 2015-2016. This was reported in the center's prior audit report. The one-year audit period reported herein (2016-2017) was fully accounted for under the eSAS system.
- (b) At this adult education center, the migration to the new system happened in 2014-2015. This was reported in the center's prior audit report. The audit period reported herein was fully accounted for under the eSAS system.

## PROPERTY SCHEDULE

The results of the property inventories of the 35 schools/centers reported herein are as follows:

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>North Region Office Schools/Centers</u>								
0361	Biscayne Gardens Elementary	177	\$ 446,169	\$ -	\$ -	\$ -	\$ -	\$ -
1161	Crestview Elementary	129	274,676	-	-	-	-	-
1521	Amelia Earhart Elementary	158	335,280	-	-	-	-	-
4801	Gertrude K. Edelman/Sabal Palm Elementary	126	290,506	-	-	-	-	-
3861	North Glade Elementary	105	239,573	-	-	-	-	-
2191	Spanish Lake Elementary	94	406,992	-	-	-	-	-
0241	Ruth K. Broad/Bay Harbor K-8 Center	160	473,669	-	-	-	-	-
6281	Thomas Jefferson Middle	174	418,331	-	-	-	-	-
6541	Nautilus Middle	295	761,023	-	-	-	-	-
6571	Norland Middle	358	883,517	-	-	-	-	-
6631	North Miami Middle	246	547,355	-	-	-	-	-
<u>Central Region Office Schools/Centers</u>								
3041	Lorah Park Elementary	83	178,590	-	-	-	-	-
3021	Jesse J. McCrary, Jr. Elementary	100	246,919	-	-	-	1	1,331

## PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
4501	Poinciana Park Elementary	177	382,234	-	-	-	-	-
5561	Frances S. Tucker Elementary	143	282,020	-	-	-	-	-
1401	Charles R. Drew K-8 Center	241	597,270	-	-	-	-	-
1721	Everglades K-8 Center	290	711,741	-	-	-	-	-
6031	Brownsville Middle	335	780,077	30	37,121	2,055	8	8,148
6391	Madison Middle	163	436,067	-	-	-	4	4,084
6411	Horace Mann Middle	337	812,940	-	-	-	-	-
6741	Ponce de Leon Middle	232	741,548	-	-	-	-	-
7341	Miami Jackson Senior	439	1,737,035	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
3541	Robert R. Moton Elementary	169	376,317	-	-	-	-	-
4091	Olympia Heights Elementary	146	323,499	-	-	-	1	1,070
5281	South Miami Heights Elementary	142	274,180	-	-	-	-	-
0661	Caribbean K-8 Center	175	429,512	-	-	-	-	-
2901	Leisure City K-8 Center	245	478,258	-	-	-	-	-
6251	Homestead Middle	220	584,690	-	-	-	-	-
7101	Coral Reef Senior	847	2,220,119	-	-	-	-	-

## PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7741	Southwest Miami Senior	646	2,222,675	-	-	-	-	-
9732	Brucie Ball Educational Center	104	225,212	-	-	-	-	-
<u>Adult Education Centers</u>								
7072	Coral Gables Adult Education Center	8	16,814	-	-	-	-	-
7342	Miami Jackson Adult Education Center	5	8,139	-	-	-	-	-
7592	North Miami Adult Education Center	33	104,528	-	-	-	-	-
<u>Alternative Education Center</u>								
8121	COPE Center North	91	222,961	-	-	-	-	-
<b>TOTALS</b>		<b>7,393</b>	<b>\$ 19,470,436</b>	<b>30</b>	<b>\$ 37,121</b>	<b>\$ 2,055</b>	<b>14</b>	<b>\$ 14,633</b>

## PROPERTY SCHEDULE

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

Work Location No.	Schools/Centers	No. Of Plant Security Reports	Total Items	Total Amount At Cost	Categories		Total Depreciated Value
					Computers	Other <sup>(a)</sup>	
<u>Central Region Office School/Center</u>							
4501	Poinciana Park Elementary	3	3	\$ 3,791	\$ 1,099	\$ 2,692	\$ -
<u>South Region Office Schools/Centers</u>							
2901	Leisure City K-8 Center	1	1	1,621	-	1,621	267
7741	Southwest Miami Senior	1	1	3,800	-	3,800	-
9732	Brucie Ball Educational Center	1	3	3,392	3,392	-	-
<b>TOTAL</b>		<b>6</b>	<b>8</b>	<b>\$ 12,604</b>	<b>\$ 4,491</b>	<b>\$ 8,113</b>	<b>\$ 267</b>

Note:

(a) "Other" equipment consisted of two air conditioning units at Poinciana Park Elementary, custodial equipment at Leisure City K-8 Center, and an ultrasound machine at Southwest Miami Senior High School.

## **FINDINGS AND RECOMMENDATIONS**

### **1. Inadequate Management Of After School Care Program Resulted In Program Revenue Losses And Incomplete Records *Biscayne Gardens Elementary***

During the 2016-2017 school year, the school managed a Principal-Operated Fee-Based After School Care Program for the first time. It serviced close to 40 students and revenues generated from this program amounted to approximately \$24,500, mostly from After School Care (ASC) Program Services (the school also offered a Story Hour Program)<sup>10</sup>. According to reports from the school's Free/Reduced Meals Program administered by the Department of Food and Nutrition, most of the ASC Program participants were eligible for free/reduced lunch. Those students eligible to participate in the meals program received a \$1.00 discount from the regular ASC Program fee of \$8.00 per day. In addition, two students were eligible to receive financial assistance from the subsidizing child care agency<sup>11</sup>.

Our review of the records and associated activities of the After School Care and Story Hour Programs disclosed that during its first year of operation, program records were disorganized; the payment information on many of the student registration cards was not properly/consistently maintained and the information disclosed many errors and omissions; and attendance rosters and ancillary records were incomplete or not on file. Ultimately, our projection of revenues that should have been generated by the program (based on student participation) disclosed a revenue shortfall of approximately \$(8,300).

Given the condition of the records, we performed an extensive review of the available records and inquired with staff and school administration regarding the conditions under which the program operated. We determined that the monetary shortfall appeared to be the result of inadequate controls, specifically over the collection of fees and the recordkeeping of payments and attendance, since nothing came to our attention to indicate it was the result of misappropriation of funds.

Upon our inquiries, the school administration acknowledged difficulties hiring experienced personnel to run the program, maintaining the level of recordkeeping

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<sup>10</sup> The school offered 5-day Story Hour Program which operated from 1:50 pm to 2:50 pm at \$4.00 per day; however, participation was very limited (only two students). The 5-day After School Care Program operated from 1:30 pm to 6:00 pm at \$8.00/day (regular rate) or \$7.00 per day (at the free/reduced lunch rate) and the program under which most students were enrolled and participated.

<sup>11</sup> In such cases, the agency is responsible for paying a portion of the fee and the parent/guardian is responsible for paying the remainder. This depends on the agency's assessment of financial need of the student.



required by program guidelines, and enforcing the fee payment schedule on the parents/guardians. Given these impediments, the school administration opted to close the Principal-Operated Program for the 2017-2018 fiscal year, and contracted with a private after school care provider to conduct the after school care activities at the school site.

The guidelines that schools must follow regarding these programs and details of the discrepancies identified during the audit are as follows:

### *Guidelines*

The *Community School Procedures Manual* outlines the procedures for operating an After School Care/Community School Program at a school. The program operates based on a bi-weekly fee schedule approved by the District. All fees collected for services rendered must be properly receipted in an Official Teacher's receipt; and the receipt number and date, service period, total amount due and paid, agency payment (if subsidized child care), and any applicable comments must be recorded in the student registration card. The student's daily attendance must be recorded in the student attendance rosters. These documents must be maintained and filed. Additionally, program staff in charge of managing the program is responsible for periodically reviewing the payments and student registration cards to ensure that fees are paid according to schedule and postings are up-to-date in the student registration cards. Mid-year and End-Of-Year administrative review of the student registration cards are required as part of the procedures. Regarding subsidized child care, the school must submit monthly reports of student attendance to the child care agency responsible for subsidizing a portion of the participants' after school care program expenses in order to be fully reimbursed for the services rendered. Ultimately, all fees collected must be electronically transmitted from the school's internal funds checking account to the District on a monthly basis.

### *Conditions and Discrepancies Noted*

- 1.1. *Collection/recordkeeping efforts were not properly coordinated between designated staff members, thus resulting in the recordkeeping of fee payments on the student registration cards that was not only inconsistent, but contained errors and omissions.* In many instances, payment information recorded on the cards was incomplete in that payment information was partly or fully omitted or the information was incorrect or unclear. Specifically, critical information such as receipt number and/or service period was not recorded. In other instances, we traced a payment to an official receipt; however, the payment in question was not recorded in the corresponding student registration card. We also noted instances where the payment differed from the fee established for the corresponding

service period(s), resulting in a debit/credit carry forward, which was not always correct.

We found that several individuals (which included the school Treasurer, the After Care Manager and other hourly staff hired to assist the After Care Program) were assigned to collect from the parents and issue receipts; and the manager was also responsible for the cards' maintenance/recordkeeping. However, all these efforts were not properly/timely coordinated between all these individuals to ensure a cohesive operation. According to the manager, she struggled to maintain the records; and she recorded the information on the cards as she received it (after-the-fact) and as time permitted.

- 1.2. *Fees were not collected following the payment schedule and fees were not always collected for services rendered.* The bi-weekly payment schedule was not enforced/observed. Specifically, there were numerous instances where parents paid late for one or more periods in arrears; as well as instances where parents failed to pay for services rendered. We noted some documentation supporting collection efforts from staff. *We reported the specifics of our findings to the school administration for follow-up with the corresponding parents/guardians.*
- 1.3. *Student registration cards were not signed to indicate review.* The student registration cards for After School Care/Story Hour Programs were not signed by the Principal or Principal's designee for the mid-year and year-end review. In addition, as a general observation, the cards did not include comments indicating when the student withdrew from the program.
- 1.4. *Attendance rosters, monthly reports and ancillary attendance documentation were not properly maintained or not on file.* According to the program manager, some of the individuals responsible for taking attendance did not do so in a consistent manner, and maintaining the attendance rosters required time and effort. During the audit, we were only able to locate the attendance rosters for the months of August-December 2016 and June 2017, pick-up logs up to the month of May 2017, and Monthly Activity Reports for September 2016, April and June 2017. Therefore, our verification of attendance was restricted to the records that were made available to us.
- 1.5. *Procedures regarding the use of receipt books were not properly followed.* Specifically, separate Official Teacher's Receipt Books were not identified for the After Care/Story Hour Programs, since some of the receipts from these books were issued for collections associated with school activities not related to the program. In some instances, the information on the individual receipt was altered instead of voiding the receipt and issuing a replacement.

- 1.6. *Collections were not transmitted to the District following the monthly schedule. Monthly fee transmittals for the months of August 2016, October 2016, and December 2016, were submitted several months late to the District.*
- 1.7. *Attendance was not reported to the subsidizing child care agency for services rendered. Two students were eligible for this reimbursement and received a discounted rate. However, the school could not provide documentation supporting how the rates were established. We contacted the agency and verified that the school had not submitted any attendance for reimbursement purposes.*

## **RECOMMENDATIONS**

**The following recommendations are provided in the event that this program is re-established at the school:**

- 1.1. The school should identify a level of staff capable of handling program records in a timely and effective fashion to ensure that the recordkeeping will be performed following program guidelines.**
- 1.2. The school administration should discuss student attendance and payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained. This discussion should also include the procedures for completing and filing the Monthly Activity reports, and for timely processing the transmittal of fees to the District.**
- 1.3. The school administration should discuss the payment schedule with staff to ensure that this is observed.**
- 1.4. The school administration should direct the program manager to conduct periodic reviews of the student registration cards to ensure that payments are accurately collected and reflected in the payment records.**
- 1.5. The school administration should discuss a plan of action with the program manager regarding outstanding/delinquent payments and documentation efforts for collecting this debt.**
- 1.6. The school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at mid-year and the end of the school year.**

- 1.7. The school administration should ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.8. The school administration should strengthen oversight of the program and periodically meet with the program manager to review the activity of the program and supporting documentation.

**Person(s) Responsible:**

**Principal, Assistant Principal,  
ASC Manager and ASC Specialist**

**Management Response:**

The Principal has opted to close the Principal-Operated After School Care Program for the 2017-2018 fiscal year and has contracted with a private after school care provider. Should the current administration opt to reestablish a Principal-Operated afterschool program, the following corrective actions would be implemented.

The Principal would identify staff capable of handling program records in a timely manner to ensure that the recordkeeping follows program guidelines.

The Principal would review guidelines as stated in the *Community School Procedures Manual* with the Assistant Principal, After School Care Manager and After School Care Specialist to ensure their understanding and responsibilities pertaining to recordkeeping, registration cards payment collections and schedules, and the timely processing of the transmittal of fees to the District in regards to the Principal-Operated After School Program.

The Principal would instruct the program manager to conduct weekly reviews of the student registration cards to ensure payments are accurately collected and reflected in the payment records. Additionally, the principal would discuss a plan of action with the program manager regarding outstanding delinquent payments and collecting this debt.

Additionally, the Principal will work with the program manager to ensure that reports to the subsidizing child care agency are prepared in a timely manner and submitted to the agency for reimbursement.

The Principal, After School Manager and After Care Specialist will attend trainings with the District's Community School/After School Program Executive Director and staff and seek assistance from them for clarification and guidance when deemed necessary.

Finally, the Principal, along with the Assistant Principal, would strengthen the controls over the program and meet weekly with the program manager to review the activity of the program and supporting documentation of the registration cards to ensure they are

reviewed and signed off to document review at mid-year and end of school year.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal, After School Care Manager and After School Care Specialist to implement and monitor with the Assistant Principal to ensure that should the Principal-Operated After Care program ever be reinstated at the school, the program would be managed following guidelines. Additionally, the Principal will thoroughly review the Community Schools Procedures Manual with the Assistant Principal, After Care Manager and Specialist.

The Principal was instructed to devise a plan to strengthen the controls over the management of the program to ensure that capable staff is in place to handle records in a timely manner to ensure the recordkeeping is performed following all guidelines.

The Principal was instructed to discuss with staff student attendance and payment procedures to ensure records are maintained accurately. Also, the Principal was instructed to follow guidelines to ensure that Monthly Activity Reports are completed and filed following procedures and that fee transmittals to the District were completed in a timely manner. Additionally, the Principal was instructed to review the fee payment schedule with staff.

The Principal was instructed to direct the program manager to conduct periodic reviews of the student registration cards to ensure payments are accurately collected and reflected in the payment records. In addition, the Principal was instructed to devise a plan of action with the program manager to address outstanding/delinquent payments and document efforts for collecting debt.

The Principal was instructed to meet with the After Care Manager, Specialist and Assistant Principal on a weekly basis to review registration cards and ensure they were completed with accuracy prior to signing off for both the mid-year and end of review. Also, the Principal instructed them to ensure that reports subsidizing child care agency are prepared promptly and submitted to the agency for reimbursement.

The Principal was instructed to attend trainings along with her staff. The Office of Community School/After School Programs schedules these trainings on a monthly basis. The Principal was further instructed to seek assistance from this office on a regular basis for clarification and guidance should discrepancies arise.

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

Lastly, the Principal has been instructed to attend School Operations’ Money Does Matter Support Program sessions for the 2018-2019 school year and include specific fiscal management job targets on their Performance Plan and Assessment System Planning Form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

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

**Management Response:**

School Operations has reviewed the audit findings cited in the 2015-2016 and/or 2016-2017 fiscal year reports of the following schools reporting to the North, Central, South Region Office and Adult Vocational and Technical Colleges: Biscayne Gardens Elementary School, North Glade Elementary School, Brownsville Middle School, Leisure City K8 Center and Miami Jackson Adult Education Center: The following preventive actions will be taken through School Operations:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls are in place for recordkeeping and bookkeeping functions, reporting of payroll, timely transmittal of monthly tuition fees, property control, Title I Program requirements and after-school programs.
- School Operations in collaboration with the Region Centers and Adult Vocational and Technical Colleges, will arrange for a colleague to colleague support team through Fiscal Review Teams site visits to provide support in Fiscal and Organizational Management.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and the Regions’ Scaled Leadership meetings in Money Smarts.

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

**2. Improper Oversight Over Bookkeeping Function Resulted In Account Deficits, Bookkeeping Errors Delays In The Remittance And Deposit Of Collections And Other Discrepancies  
*North Glade Elementary***

The school had relatively limited financial activity during the 2015-2016 and 2016-2017 fiscal years. We noted that total receipts and total disbursements ranged from approximately \$20,000 to \$30,000 each fiscal year. Nevertheless, our review of the financial records and bookkeeping practices for the audit period disclosed what appeared to be improper oversight over the bookkeeping of these funds. Specifically, discrepancies noted involved deficits in certain individual internal fund accounts<sup>12</sup>; errors in the recordkeeping of transactions; the use of a signature stamp to sign official documents; incomplete documentation supporting the financial transactions; delays in the remittance of deposits and collections; and discrepancies in the accountability over student activities.

A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration. Current conditions involving account deficits resulted from prior year actions which carried over to the current year.

Details follow:

*Deficit Account Balances And Bookkeeping Errors*

Pursuant to Section III, Chapters 3, 4 and 8 of the *Manual of Internal Fund Accounting (the Manual)*, schools must not charge expenditures to Classes and Clubs or Trust programs' individual accounts, or to the General Program which would exceed the available revenue.

- 2.1. *Several accounts closed with deficits, some due to overspending and posting errors, while others could not be readily determined due to comingling of monies from different sources within the individual account.* Specifically, the Internal Fund-General Program closed the 2016-2017 fiscal year with a deficit balance of approximately \$(1,000); while one of the Field Trip accounts closed with a deficit

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<sup>12</sup> Although several individual accounts disclosed deficit balances, other individual accounts carried positive balances which prevented an overall operational account deficit.

of approximately \$(760), and the Classes and Clubs-5<sup>th</sup> Grade account also closed with a deficit of approximately \$(160).

As of the time of our audit conducted in September 2017, the General Program and the accounts noted herein continued to disclose deficit balances, which initiated under the former school administration and which are carryovers from previous years' fiscal activity.

- 2.2. *We identified several posting errors during both fiscal years after implementation of the new accounting system in March 2016.* These were identified when reviewing the financial activity posted to the individual accounts. We determined that the errors resulted when the Treasurer selected an incorrect account structure to post either revenue or disbursement transactions to the system. We discussed the specific instances with the current school administration for information and oversight/follow-up going forward.

#### *Use Of Signature Stamp In Financial Documents Or Documents Not Signed To Indicate Review*

- 2.3. *The school inappropriately used a signature stamp to sign certain official bank documents or failed to sign certain bank documents (as part of recommended best business practices).* Upon reviewing original bank statements, we identified three instances where the monthly checking account bank statement was *signature-stamped* (in lieu of an original signature). According to the former Principal, the signature stamp was never intended for signing official documents but for signing student certificates and similar non-financial documents; however, he could not provide an explanation. At the time of the audit, the former Principal acknowledged having custody of the stamp, which *we recommended it be permanently decommissioned*. In the three other instances, the statement was not signed at all. Therefore, we could not ascertain that the former Principal consistently reviewed these documents prior to turning over to the Treasurer for the preparation of the monthly bank reconciliations.

#### *Lapse In Compliance With Certain Documentation Guidelines*

Section II, Chapters 4 and 5 of *the Manual* detail the guidelines and the documentation required when making internal funds disbursements; while Section IV, Chapter 13 is specific to the receipt of gifts, grants and donated funds recorded in the internal funds of the school. In addition, Section II, Chapter 8 of *the Manual* requires that an accurate and organized inventory of prenumbered official forms be prepared at the end of the fiscal year. All forms on this inventory represent all official forms for receipting collections as well as checks received from the banking institution; therefore, its accuracy and completeness is of paramount importance.



- 2.4. *Ancillary documentation was incomplete or disclosed errors.* Most notably, check requisitions dated after the implementation of the new accounting system in March 2016 were not on file. Other documentation not on file included donation letters, a final invoice for the 5<sup>th</sup> Grade Banquet, and supplementary documents for a grant received by the school. In addition, our review of the Inventory of Prenumbered Forms for the 2015-2016 and 2016-2017 fiscal years disclosed that the form was incomplete and contained errors.

M-DCPS *Weekly Briefing* No. 5164 delineates the current procedures for safeguarding schools' funds. These procedures include the implementation of the Collection/Deposit Log [FM-7249] to document those collections left at the school overnight awaiting deposit.

- 2.5. The use of the "Collections/Deposits Log" was not implemented to report/identify those instances of student collections stored in the safe area at the school awaiting delivery/deposit in the bank the next business day.

#### *Delays In The Remittance Of Collections And Deposits*

Regarding receipts and deposits, Section II, Chapters 2 and 3 of *the Manual* establish that sponsoring faculty/staff remit monies for deposit to the Treasurer's Office in a timely manner; and that the Treasurer deposit collections in a timely manner as well.

- 2.6. Given our concerns regarding the account deficits previously identified, we performed an extensive review of the accounts' fiscal activities. From our review, we noted that student collections (mostly cash) were not timely remitted for deposit or not timely deposited. Delays ranged up to five days. Most instances related to the collection of student activities posted to the 5<sup>th</sup> Grade Classes and Clubs accounts.

#### *Discrepancies In The Accountability Over Student Activities*

During the 2015-2016 and 2016-2017 fiscal years, the school conducted several year-end activities for 5<sup>th</sup> Grade students. These activities included a picnic, field trips, fundraisers and awards ceremony for which student collections were received and payments were made.

- 2.7. Regarding this 5<sup>th</sup> Grade account, collections totaling approximately \$1,500 and \$6,000 corresponding to each of the respective years under audit were comingled, as noted in one of our previous observations; and this comingling effect, as well as the lack of ancillary activity reports made it impossible to determine that potential revenues were realized. It appears that not all

participating students paid the same admission fee; however, variations in price/attendance were not documented. According to staff, the school was to charge each student an admission fee to cover the cost of all associated activities; however, it appears that the admission fee was pro-rated to accommodate those students that did not wish to partake in all the activities.

According to Section IV, Chapters 1 and 2 of *the Manual*, field trip activities and fundraising events recorded in the internal funds of the school must be accounted for separately within accounts, and in the case of student activities/fundraisers, *Student Activity Operating Reports* must be completed summarizing results and disclosing proper levels of review and approval via signatures affixed to the reports.

- 2.8. The school did not complete Student Activity Operating Reports to record revenues and expenses, complimentary student participation, admission fee variation(s) and to account for any leftover inventory. According to school staff, they were not aware of this reporting requirement.

## **RECOMMENDATIONS**

- 2.1. **The new school administration should request additional internal funds training for the Treasurer and should direct her to request assistance from Internal Funds Accounting when needed. This includes the proper preparation of the Prenumbered Forms inventory required at the closing of each fiscal year.**
- 2.2. **Going forward, we firmly recommend that the new school administration implement a periodic system of review over the bookkeeping of the funds, the receipting and depositing of collections and the accountability over student activities. This review should take place with certain frequency to assist in the timely detection/prevention of accounting/posting errors and the monitoring of account balances. This review should take place at both the bookkeeping detail level (Treasurer) and at the administrative (oversight) level (Principal/designee).**
- 2.3. **The new school administration should direct the Treasurer to observe deposit timelines and complete and file all necessary internal fund documentation that is required by the guidelines.**
- 2.4. **To prevent deficit balances in the individual accounts, the new school administration should ensure that the account has sufficient funds before approving any expenditures and before signing any checks. As part of best business practices, we discourage the use of any signature stamp for signing any documents; and encourage the review of bank documentation**

prior to submitting to the Treasurer for the monthly account reconciliation process.

- 2.5. The new school administration should discuss with sponsoring faculty and staff the timelines for receipting and depositing student collections for awareness and understanding and for compliance with timelines, and the preparation of reports.
- 2.6. The new school administration should direct the Treasurer to process collections in a timely manner, and to bring to the attention of the school administration any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.
- 2.7. The new school administration should direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry over this requirement along with the Treasurer.
- 2.8. The new school administration should ensure that Student Activity Operating Reports are filed with the records as well ancillary documentation prepared by the sponsors for clear accountability.

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

**Management Response:**

The new Principal has met with the Assistant Principal and Treasurer to thoroughly review the Manual of Internal Fund Accounting to ensure their understanding and responsibilities pertaining to bookkeeping, collections, deposits, postings, account balances and preparation of the Prenumbered Forms inventory. The Principal has requested additional internal funds/eSAS training for the Treasurer and is seeking assistance from the school's assigned Business Manager to further provide support and ensure compliance.

The Principal has established procedures for weekly system reviews over the bookkeeping of the funds, the receipting and depositing of collections and the accountability over student activities. These reviews will take place at the Treasurer (bookkeeping detail level) and with the Principal/Assistant Principal (administrative level). These reviews will assist in ensuring the school does not charge expenditures to Classes and Club, Trust Programs' individual accounts, or to the General Program which would exceed the available revenue in those accounts.

The Principal has directed the Treasurer to follow procedures of deposit timelines and to ensure completion and filing of internal fund documentation required by the guidelines. Also, as the Principal does not own or utilize a signature stamp, all bank statements are opened, reviewed, and signed by the Principal then forwarded to the Treasurer to complete the Monthly Financial report.

The Principal will meet weekly with the Assistant Principal and Treasurer to thoroughly review the guidelines and the documentation required when making internal funds disbursements; the process of receipt of gifts, grants and donated funds recorded in the internal funds of the school; and to ensure accuracy and organization of the inventory of prenumbered official forms be prepared at the end of the fiscal year. The Principal and Assistant Principal will conduct monthly reviews of all accounts and review all documents to ensure compliance and seek assistance immediately should there be any concerns.

The Principal reviewed Weekly Briefing #5164 with the Treasurer and Assistant Principal to ensure understanding of the current procedures for safeguarding school funds, including implementation of the Collections/Deposit Log form (FM-7249) to ensure compliance with the District policies and procedures.

The Principal conducted a faculty meeting to review procedures for sponsoring faculty/staff to remit monies for deposit to the Treasurer's Office in a timely manner. The Principal and Assistant Principal will closely monitor all financial activities to ensure that the Treasurer collects and deposits funds in a timely manner and review all reports to eliminate the errors of incorrect posting to account structures.

The Principal conducted a faculty meeting to review field trip activities and fundraising events recorded in the school's internal funds which must be accounted for separately within accounts. In the case of student activities/fundraisers, the Principal reviewed with the Treasurer the guidelines of the Student Activity Operating Reports which must be completed accurately. The Principal and Assistant Principal will ensure that all operating reports are submitted after each fundraiser.

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

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that bookkeeping functions are strengthened across the board to avoid account deficits, errors, delays in the remittance of and deposit of collections. Additionally, the Principal will thoroughly review the Manual of Internal Fund

Accounting with the Treasurer and Assistant Principal to ensure understanding or procedures and guidelines.

The new Principal was instructed to schedule the Treasurer for additional internal funds training and to seek assistance as needed from the District Business Manager. The Principal was instructed to meet with the Treasurer weekly (Assistant Principal as well to serve at times as designee) to review bookkeeping of funds, receipting and depositing of collections and the accountability over student activities.

The Principal was instructed to ensure the Treasurer follows deposit timelines and complete and file internal fund documentation required by guidelines. The Principal was instructed to ensure accounts have sufficient funds prior to approving any expenditure and before signing any checks.

The Principal was instructed not to utilize a signature stamp and to ensure that bank documentation is reviewed prior to submitting to the Treasurer for the monthly account reconciliation process.

The Principal was instructed to meet with sponsoring faculty and staff to ensure an understanding of procedure and compliance as related to timelines for receipting and depositing student collections and the preparation of reports.

The Principal was instructed to direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and ensure the Assistant Principal also oversees this requirement along with the Treasurer. Additionally, the Principal instructed the Treasurer to file all Student Activity Operating Reports with the records as well as any accompanying documentation prepared by the sponsor.

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

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Glade Elementary School.

**3. Inadequate Controls  
Over The Bookkeeping Function  
Resulted In Errors And**

**Incomplete/Inadequate  
Financial Records Of  
The School  
*Brownsville Middle School***

The school has relatively limited financial activity. For the 2016-2017 fiscal year, total receipts and total disbursements were approximately \$30,000, respectively. Nevertheless, our review of the financial records and bookkeeping practices for the audit period disclosed what appeared to be improper oversight over the bookkeeping of these funds. Specifically, discrepancies noted involved comingling of revenues and disbursements from several activities; incomplete documentation; delays in the remittance of collections; and discrepancies in the accountability over student activities.

A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration.

Details follow:

Pursuant to Section II, Chapter 2 of the *Manual of Internal Fund Accounting (the Manual)*, the use of sub-ledger accounts is recommended to segregate revenues and expenditures of individual activities within the same account and provide a clear accountability. The *Manual* also delineates specific procedures for balances remaining in field trip functions after all pertinent expenditures for the individual field trips have been paid. Specifically, Section IV, Chapter 1 states that if the existing balance is \$1 or more per student, refunds must be issued to the respective students. Regarding specific bookkeeping procedures that Treasurers must follow, Section II, Chapter 7 establishes that, while a funds transfer is made to move funds from one account to another, a posting correction is required to correct an error in posting when revenues were initially recorded in the wrong account. The procedures further state that, when a recording error takes place, a transfer of money *must not be used in lieu of a posting correction to reverse the error*.

- 3.1. In 2016-2017, the school conducted several field trips and fundraisers and received donations to assist with activities throughout the year. Revenues and disbursements posted to the corresponding accounts amounted to approximately \$4,200 and \$3,500 in the aggregate. A review of these accounts disclosed that funds from different sources were comingled within each account reviewed, thus preventing us from fully verifying revenues and disbursements attributed to each

activity. Furthermore, the documentation supporting these activities was not always on file and/or not completed correctly.

- 3.2. We were able to identify the revenues and disbursements corresponding to the year-end T-shirt sale, and noted a small shortfall between projected revenues of \$920 and collections posted to the account of \$830. However, we also noted that the shirts were sold below cost, thus resulting in a loss of approximately \$180. The school covered the shortfall with proceeds from the other activities.
- 3.3. Student collections totaling approximately \$600 (which remained in the field trip accounts after all field trip-related expenditures were paid) were not refunded to the participating students.
- 3.4. We identified several bookkeeping errors which totaled close to \$800. Regarding these errors, the Treasurer utilized the wrong accounting entry to correct/reverse previous bookkeeping entries. We discussed the specific instances and transactions with the current school administration for information and oversight/follow-up going forward.

Section II, Chapter 8 of the *Manual* requires that an accurate and organized inventory of pre-numbered forms be prepared at the end of the fiscal year; while Section II, Chapters 2 and 3 of the *Manual* delineate the current procedures for handling, posting and depositing collections. During the prior audit, we discussed with the former school administration certain lapses in compliance in both these areas and provided recommendations for corrective action; however, similar issues were noted this year.

- 3.5. During 2016-2017, our review of the Inventory of Prenumbered Forms disclosed that the form was incomplete and contained errors. In addition, we noted instances where remitting, posting and depositing of funds were delayed.

Section II, Chapter 4 of the *Manual* requires that payments be made within 30 days of satisfactory receipt of goods, unless special arrangements have been made with the vendor in writing to delay payment and the acknowledgement of the receipt of goods or services. In addition, for purchases of \$1,000 or more but less than \$50,000, at least three written quotations are required to be solicited, one of which must be a certified minority/women business enterprise.

- 3.6. Our review of approximately \$4,500 in disbursements made during the 2016-2017 fiscal year disclosed that vendors were not always paid in a timely manner (within 30 days), sales tax was not paid on items purchased for resale, invoices were not always stamped to acknowledge the receipt of goods/services, complimentary lists were not always on file, and in one instance, the school

documented a purchase over \$1,000 with three written quotations; however, the lowest bidder was not chosen and neither quotation was from a certified minority enterprise.

Pursuant to Section III, Chapter 9 of the *Manual*, the use of the school's Fund 9 account to purchase any equipment with an individual cost greater than \$1,000 or more **is prohibited**.

- 3.7. Our review of Fund 9 related expenditures for the 2016-2017 fiscal year disclosed that the school purchased a tablet with an individual cost of approximately \$1,300. Physical verification of the equipment disclosed that the tablet was not tagged for property inventory control purposes. At our request, an Incoming Controlled Equipment Form [FM-1669] was submitted to Property Accounting to initiate the process for the tagging of the equipment<sup>13</sup>.

## **RECOMMENDATIONS**

- 3.1. The current school administration should request additional internal funds training for the Treasurer and should direct her to request assistance from Internal Funds Accounting when needed. This includes the proper preparation of the Prenumbered Forms inventory required at the closing of each fiscal year.**
- 3.2. Going forward, we firmly recommend that the current school administration implement a periodic system of review over the bookkeeping of the funds, the receipting and depositing of collections and the accountability over student activities. This review should take place with certain frequency to assist in the timely detection/prevention of accounting/posting errors and the monitoring of account balances. This review should take place at both the bookkeeping detail level (Treasurer) and at administrative (oversight) level (Principal/designee).**
- 3.3. All efforts to refund remaining balances in field trip functions of \$1 or more per student must be made prior to the close of the fiscal year.**
- 3.4. The current school administration should direct the Treasurer to process collections in a timely manner, and to bring to the attention of the school**

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<sup>13</sup>As stipulated in the MDCPS *Manual of Property Control Procedures*, an Incoming Controlled Equipment form [FM-1669] form must be submitted to the District's Property Accounting Office to request the tagging of the equipment for inventory control purposes.



**administration any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.**

- 3.5. The current school administration should direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry over this requirement along with the Treasurer.**
- 3.6. The current school administration should ensure that Student Activity Operating Reports are filed with the records as well ancillary documentation prepared by the sponsors for clear accountability.**

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

**Management Response:**

The Principal met with the Assistant Principal, Secretary/Treasurer and directed the Treasurer to request additional assistance from the Internal Funds Accounting and the Region Business Manager. Specifically, a review of the proper preparation and organization of the Prenumbered Forms Inventory that is required at the end of the year was discussed.

The Principal met with the Assistant Principal, Secretary/Treasurer, and reviewed the Manual of Internal Fund Accounting Section II, Chapter 2, 4, 7, and 8 regarding policies and procedures on the safeguarding of funds to ensure understanding of the guidelines and requirements for the handling, posting, depositing, disbursement and safeguarding of monies. In addition, the Principal directed the Treasurer to ensure that at least three written quotations be solicited, one of which must be a certified minority/women business enterprise for purchases \$1,000 or more.

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

The Principal will conduct bi-weekly reviews of financial records to check for accuracy and ensure compliance with policies and procedures. The Principal will conduct follow

up meetings with the Assistant Principal and Secretary/Treasurer to discuss any discrepancies noted during the monthly reviews. The Treasurer will seek and attend professional development workshop pertaining to internal funds; as well as to request assistance from the Business Manager that is assigned to the school. The Treasurer will also seek to become familiar with the procedures outlined in the Manual of Internal Fund Accounting.

The Principal assigned the Assistant Principal to review weekly all aspects of student financial activities and the receipting process. The Secretary/Treasurer was directed to indicate full account structures on Recap of Collection form to ensure accuracy. The Principal, Assistant Principal, and Treasurer conducted a meeting with all Sponsors on correct completion of the Student Activity Operating Reports. The Assistant Principal and Secretary/Treasurer were directed to ensure that funds collected are processed in a timely manner and to inform the Principal of any instances in which Sponsors do not adhere to timelines. The Principal will rectify any discrepancies and ensure adherence to timelines given. The Principal will conduct a periodic system of review will be implemented bi-monthly on all levels to detect/prevent accounting/posting errors and to ensure the monitoring of accounting balances.

The Principal directed the Secretary/Treasurer to adhere Section IV, Chapter 1 of the Manual of Internal Fund Accounting which states that if the existing balance is \$1 or more per student, refunds must be issued to the respective students. After meeting with the Assistant Chief Auditor, it was determined that the Secretary/Treasurer would transfer the remaining balance in field trip functions to General Miscellaneous.

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

**Management Response:**

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

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Treasurer, Assistant Principal and Principal will review the monthly reconciliation as well as conduct periodic reviews of internal fund documents to ensure accuracy. The Principal has been instructed to solicit assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Treasurer.

The Financial/Business Director instructed the Principal to develop and establish a procedure that will be followed that denotes the proper steps in sponsoring field trips. The procedures will have the administrator and assistant principal oversee the process and provide checks and balances to ensure compliance in all policies and procedures.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Brownsville Middle School.

**4. Non-Compliance  
With Title I Program  
Requirements  
Resulted In Unspent  
Funds, Unlocated  
Title I Equipment  
(Non-Capitalized),  
And Incomplete  
Documentation  
*Brownsville Middle School***

For the 2016-2017 fiscal year and similar to prior audit<sup>14</sup> results, we found that the school did not maintain on file an inventory of non-capitalized equipment purchased with Title I Program funds and some of the items could not be located. This required that audit staff physically verify all computers/technology equipment located throughout the school campus (with the assistance of school staff) to identify the location of the non-capitalized equipment in question. Aside from this finding, in 2015-2016 (during the prior audit), the former school administration had not spent all Title I funds allocated to the school and we had provided recommendations regarding this matter. However, for the 2016-2017 fiscal year, we again noted that certain Title I Schoolwide Program funds were not fully utilized. Ultimately this year, during our verification of equipment purchased with Title I Program funds, we also noted that the school had disposed of Title I equipment without the requisite approval from the Department of Title I Administration.

A new Principal was assigned to this school effective July 2017. The findings cited herein happened under the tenure of the former school administration.

Details follow:

As prescribed by the Department of Title I Administration, schools funded with Title I Program funds must maintain a complete filing system of Title I Program documentation. The documentation must include an inventory listing of capitalized and non-capitalized equipment purchased with Title I Program funds. All equipment items, regardless of their acquisition cost, must be identified with the Title I Property labels provided by the Department of Title I Administration.

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<sup>14</sup> Prior audit results were discussed with the former school administration in December 2016. The findings herein are a follow up to the computer purchase in 2015-2016 for which an inventory was never prepared. In addition, some items were unaccounted for at the time and reported. Both conditions were repeated during this audit.

- 4.1. Regarding the non-capitalized equipment purchased in 2015-2016<sup>15</sup> (for which an inventory listing was not located in the files during our visit), we found this year that six of the 56 monitors (located during the prior audit) could not be located during this visit. There was no documentation on file to justify their removal.

After the prior audit (which we reported in early December 2016), the school completed two Plant Security Reports. According to the reports, eight computers and two monitors purchased with Title I Program funds were damaged. However, during our visit in August 2017 we found, and the current school administration acknowledged, that all this equipment was not damaged but located at the school and in working order in one of the school's computer laboratory classes. Therefore, the misplacement of the six monitors noted above remained unexplained.

Title I program funds not spent or encumbered by year-end are lost by the school, as they cannot be re-budgeted the following year as well as funds cannot be overspent. While funds should not be spent unnecessarily as identified in the Title I Administration Handbook, good budget planning and continuous monitoring of account balances are essential to ensure that available funding resources are used to their maximum intended purpose.

- 4.2. Similar to the previous audit, during the 2016-2017 fiscal year, the school did not spend all Title I Schoolwide Program funds initially allocated to it. Pursuant to budget documents on file, the school had allocated \$9,000 for hourly payroll (excluding fringes since they are accounted for in separate accounts within Title I Program funds). However, on May 24, 2017, close to the end of the fiscal year, the school transferred approximately \$10,700 to the field trip account (which consisted of a transfer from hourly payroll totaling \$9,000 plus related transfer for fringes of approximately \$1,700) and the monies remained unspent and unable to be rolled over for the next year's school activities.

Section C of the *Title I Administration Handbook* establishes the guidelines for disposal and transfer of equipment purchased with Title I Program Funds. Documentation of the request for disposal from the Department of Title I Administration **is required**. As part of the regular District procedures for the management of property inventory, the *Manual of Property Control Procedures* requires the completion of an Outgoing Controlled Equipment Form [FM-1670] to dispose of obsolete equipment.

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<sup>15</sup> No purchases of equipment were made during the audit period.

- 4.3. Our review of equipment purchased with Title I Program funds disposed during the fiscal year disclosed that during September 2016 the school disposed of a teleprompter system with a total cost of approximately \$3,200. Permission and written approval from the Department of Title I Administration for the disposal of this equipment was not available for audit. In addition, the *Outgoing Controlled Equipment* forms on file at the school were disorganized.

**RECOMMENDATIONS:**

- 4.1. **The current school administration should attend the Title I Program training sessions to ensure full understanding and awareness of the requirements for documenting the use of Title I Program funds, the inventory requirements, and requirements for the approval of the disposal of equipment**
- 4.2. **The current school administration should devise a system to track all equipment items purchased and distributed to staff/students; as well as any equipment that may be moved from the inventory due to loss or damage.**
- 4.3. **All approvals for disposing of equipment purchased with Title I Program funds must be obtained and filed prior to the disposal of the equipment.**

**Person(s) Responsible:** Principal, Assistant Principal, Head Custodian

**Management Response:**

The Principal will attend the mandatory Title I Principal Program Training session to ensure a full understanding and awareness of the requirements for documenting the use of Title I Program funds, inventory requirements and requirements for the approval of the disposal of equipment.

The Principal met with Assistant Principal and Head Custodian to review Section C of the Title I Administration Handbook which establishes the guidelines for disposal and transfer of equipment purchased with Title I Program Funds. The Principal emphasized that documentation of the request for disposal from the Department of Title I Administration is required and requires the completion of an Outgoing Controlled Equipment Form (FM-1670) to dispose of obsolete equipment.

The Principal directed the Assistant Principal to utilize the spreadsheet developed by the District's Title I Administration office to identify and monitor Title I Capitalized and Non-Capitalized equipment location in the building. In addition, new procedures will

dictate that the identification of the name of individual that last verified location with initials and date, and name of administrator that approved removal from location and outgoing property control number. The Assistant Principal will ensure that all Title I property is identify with the required sticker. The Assistant Principal will conduct an internal Title I property review three times per school year utilizing the spreadsheet. The Principal will randomly verify property items location and number and complete necessary paperwork if discrepancies cannot be rectified.

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

**Management Response:**

The Financial/Business Director instructed the Principal to devise a procedural tracking system to monitor all equipment items purchased with Title I Program funds and to review with staff and students. In addition, the Principal will meet with staff to outline and review the Title I Program guidelines and how it relates to the maintenance of property inventory and its location on school grounds. The Principal will emphasize the requirement of administrative approval in order for equipment movement throughout the facility and ensure required steps for proper disposal of Title I equipment are followed.

Finally, the Principal will monitor Title I funds to ensure usage by the deadline provided by the Title I office.

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

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Brownsville Middle School.

**5. Insufficient Controls Over Capitalized Property Inventory Resulted In Loss Of Equipment And The Reporting Of “Unlocated” Items  
Brownsville Middle School**

At this school, a new Principal was appointed on July 13, 2017. Our most recent property inventory, which we started on August 24, 2017 and finalized on October 3, 2017 again disclosed “unlocated” items and property records that were incomplete. A similar condition was noted in our prior audit<sup>16</sup> and reported as part of the school’s findings.

Based on our inquiries, approximately half of the losses for this current property audit could be attributed to incidents that took place under the tenure of the former school administration. Specifically, in late December 2016 an incident occurred at the school for which property losses were not reported to Miami-Dade School Police Department in accordance with Plant Security Report’s procedures and timelines. Consequently, these items were never removed from the inventory and were part of the most current equipment inventory of the school. Details follow:

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

5.1. Our most recent property inventory consisted of the physical verification of 335 property items with an individual cost of \$1,000 or more and a total acquisition cost of approximately \$780,000. Of this total, 30 items with an acquisition cost of approximately \$37,000 and a depreciated value of approximately \$2,100, consisting mostly of computer equipment, could not be accounted for.

Pursuant to Section 5.2 of the *Manual of Property Control Procedures*, procedures require schools to immediately report to School Police via telephone any damage, loss, vandalism, or malicious mischief and provide all available information. Miami-Dade School Police Department (M-DSPD) requires that a "Plant Security Report" [FM-0366] be submitted *within 24 hours of the telephoned report*. At this school, we found that:

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<sup>16</sup> The last property audit at this school was conducted on September 2016 and reported to the ABAC on December 2016 as part of the school’s findings.



5.2. During the audit, we found copies of two *Plant Security Reports*<sup>17</sup> dated December 19, 2016 with a total value of approximately \$12,400 which listed 12 of the 30 “unlocated” equipment items. According to M-DSPD staff, they did not have record of receipt of these reports. Based on the copies found, it appears that the school may have completed the reports; however, used the wrong case number to reference the losses to the incident. We also found another Plant Security Report from a prior period that was an original document. This report listed two other “unlocated” computers totaling approximately \$2,040. M-DSPD also verified that they did not have record of these losses. Given its original nature, we determined that this report was filed with the school records; however, never submitted to M-DSPD.

Consequently, all three reports are invalid for inventory verification purposes and the equipment must be reported as “unlocated”.

## **RECOMMENDATIONS:**

### ***We again recommend the following:***

- 5.1. The current school administration should devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.**
- 5.2. The school administration should ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.**
- 5.3. The monitoring and accounting of property should be strengthened by conducting in-house property inventories periodically to identify discrepancies and resolve them in a timely manner.**
- 5.4. In the event of an incident, the current school administration should ensure that the Plant Security Reports are correctly completed, submitted to M-DSPD in a timely manner, and followed up to ensure their proper recording.**

**Person(s) Responsible:** Principal, Assistant Principal, Head Custodian

**Management Response:**

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<sup>17</sup> This is a four-part copy document. The white (original) copy is for the Police, the green copy is for the Region Office, the yellow copy is for Transportation/Maintenance, and the pink copy stays in the school records.

The Principal met with the Assistant Principal and Head Custodian to review the Manual of Property Control Procedures established guidelines for recording and managing property. Specifically, Section 5 which requires schools to immediately report to School Police via telephone any damage, loss, vandalism, or malicious mischief and provide all available information, and to complete and submit Plant Security Report (FM-0366) within 24 hours of the telephoned report was ostensibly discussed.

The Principal will meet with all staff members at a faculty meeting on November 1, 2017, a plan outlining procedures to ensure staff members do not relocate items from designated areas without prior authorization. The movement of property must be submitted via email to the Assistant Principal that supervises property and await a response prior to moving the item from one location to another.

The Principal directed the assigned Assistant Principal to utilize a spreadsheet that delineates: dates items received, description of equipment, serial number, location of equipment, verification date of location, name of individual last verified location, date and name of administrator that approved removal from location and outgoing property control number with required paperwork. The Assistant Principal will conduct an internal property review three times per school year utilizing the spreadsheet. The Principal will randomly verify property items location, property number and complete necessary paperwork, if discrepancies cannot be rectified.

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

**Management Response:**

The Financial/Business Director instructed the Principal to devise a procedural tracking system to monitor all equipment items purchased. In addition, the Principal will meet with staff to outline and review new guidelines on effective maintenance of property inventory and its location on school grounds. The Principal will emphasize the requirement of administrative approval in order for equipment movement throughout the facility and ensure steps for proper disposal are followed.

Lastly, the Secretary/Treasurer has been paired with a Region Center mentor to serve as colleague to colleague mentorship for the 2017-2018 school year.

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

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

The Central Region Office Financial/Business Operations Administrative Director has directed the Principal to attend 2018-2019 Money DOES Matter Support Program.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Brownsville Middle School.

**6. Inadequate Recordkeeping,  
Documenting And  
Reporting Of Payroll  
*Leisure City K-8 Center***

The *Payroll Processing Procedures Manual* published by the Payroll Department establishes 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 on the Daily Payroll Attendance Sheets (referred to as attendance rosters) *on a daily basis and upon arrival.*

Regarding the actual payroll procedures, prior to the start of the 2017-2018 school year, on August 10, 2017, *Weekly Briefing (WB) No. 21389* was issued *as a reminder of the detailed instructions regarding the correct payroll sign-in procedures on the Daily Payroll Attendance Sheets, for all employee types.* According to the guidelines in the WB, full-time employees (including principals and worksite administrators) must indicate their attendance by personally noting their presence on the Daily Payroll Attendance Sheet *upon arrival.* In addition, those full-time employees whose pay may be impacted by factors such as overtime, shift differential, etc., *must indicate scheduled “time in” and “time out”.* Part-time employees must sign in by indicating the actual “time in” and “time out” and total hours worked.

*The school was cited for a similar payroll condition during the prior audit.* For this audit, a follow-up to conditions cited in the prior audit report required that we review the process for recording time and attendance, as well as the employees’ payroll sign-in procedures for full-time and part-time employees. For that matter, we reviewed selected pay periods processed at the end of the 2016-2017 fiscal year, which we reviewed without exception. Aside from that review, we observed sign-in procedures and physically verified the attendance recorded on the attendance rosters on September 1<sup>st</sup>, 2017 at around 11:00 a.m., and later that day, at approximately 4 p.m.; and during the following working day on September 5, 2017 at around 10:30-11:00 a.m.<sup>18</sup> During our physical observation of payroll sign-in procedures we noted the following departure from established procedures:

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<sup>18</sup> The observation required different times during the day and two different dates since the school has staff members reporting to work in morning, afternoon, and evening work shifts.

- 6.1. *Several part-time staff members who were in attendance were not always recording the “time in” and/or “time out” upon arrival/upon departure.* During our initial observation on September 1, 2017, we noted instances corresponding to 13 part-time employees who did not indicate the “time in” and/or the “time out” on the Daily Payroll Attendance Sheets for one or two days (the day of the observation and for some, a previous days). Seven of these part-time employees worked in the school cafeteria and the rest included a security monitor, custodian, hourly-paid paraprofessional and After Care staff.

From our observations, we identified a pattern where some of the employees were either recording the “time in” on the day of attendance, but not recording the “time out” until it was time to sign in *the following day*; or others were not recording the “time in” upon arrival, but waiting to the end of the shift to record both. As of September 5<sup>th</sup>, part-time staff had “caught up” and had recorded their attended hours as of September 1<sup>st</sup>; however, part of the recording happened *after the fact*.

- 6.2. *During our initial observation, several full-time employees who were in attendance had not recorded their attendance **upon arrival on the attendance rosters**.* These consisted of a total of eight employees. During subsequent observations (which happened later that afternoon and on September 5<sup>th</sup>), all eight employees had “caught up” and had recorded their attendance on the attendance rosters for the days in question; however, the notations happened *after-the-fact*. Also, during our last observation on September 5<sup>th</sup>, we noted that a non-instructional staff member had recorded the attendance ahead of time one day (for the following day).
- 6.3. *Not all full-staff members whose pay could have been impacted by the issuance of overtime or the granting of part-time work were recording their attendance by recording the “time in” and “time out”.* Specifically, two non-instructional full-time staff members were noting their initials on the attendance rosters, instead of recording the “time in” and time out”. Both involved full-time paraprofessionals.

## RECOMMENDATION

***To ensure that payroll is properly recorded, reported and documented, we again make the following recommendation to the Principal:***

6. **Discuss the payroll sign-in procedures with the entire staff for awareness and understanding of the payroll requirements; and institute the periodic review of the payroll sign-in procedures to ensure that staff is compliant with the requirements. Any instances of non-compliance noted during the**

**periodic reviews should be immediately discussed with affected staff for resolution and corrective action.**

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

**Management Response:**

In review of the findings and recommendations reported, the current administration will take immediate action to enforce proper procedures and ensure compliance with the expectations of the District.

Specifically, during a faculty meeting held November 1, 2017, the Principal explained the requirements of accurate payroll procedures to all faculty members. In addition, On November 1, 2017, the Principal met with the cafeteria, clerical, security, and custodial staff individually to ensure their awareness and understanding of the payroll requirements. The Principal and the designated Assistant Principal also met with all hourly staff on November 1, 2017 to review *Weekly Briefing #. 21389* and confirm their understanding of the proper sign-in/sign-out procedures.

Furthermore, the Principal met with Payroll Clerk and the Assistant Principals and reviewed the *Payroll Processing Procedures Manual* and *Weekly Briefing #. 21389* that was issued on August 10, 2017 as a reminder of the detailed instructions regarding the correct payroll sign-in procedures on the Daily Payroll Attendance Sheets, for all employee types. The Principal, the designated Assistant Principal, and the Payroll Clerk will review the sign-in sheets periodically at the start of the day and at various times throughout the day. Employees will be notified immediately should a discrepancy in the procedure be found. The Principal will meet individually with employees who have not adhered to the proper procedure. Subsequent violations will result in written directives and may result in further disciplinary action.

**Responsible Person(s):** 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 addressing staff who do not adhere to the guidelines for signing in and out, as required. 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 periodic and unannounced 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.

The Principal will participate in the 2018-2019 *Money Does Matter Support Program*.

**Responsible Person(s):**

**School Operations Administration**

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Leisure City K-8 Center.

**7. Inadequate Controls Over The Bookkeeping Of Funds Resulted In Delays In The Transmittal Of Monthly Tuition Fees And Non-Compliance With Disbursement Guidelines**  
***Miami Jackson Adult Education Center***

On August 23, 2017, the Miami-Dade Office of the Inspector General (OIG), reported the results of their investigation regarding the Principal during this audit period and fraudulent payroll practices that occurred during his tenure. The OIG uncovered that for two and a half years, between March 2013 and September 2015, the former Principal hired an employee, supposedly to work as a custodian at one of the center's satellites, and paid this employee over \$41,000 with district funds; however, the employee was not working at the school but at the former Principal's personal residence performing housekeeping and child care duties associated with the Principal and his family.

The scope of our internal audit at Miami Jackson Adult Education Center was limited to the internal funds of the school for the 2015-2016 and 2016-2017 school years, which were under the former Principal's tenure, *and excluded any review of payroll, given the OIG investigation that is still ongoing. As previously agreed upon by our office and the OIG, payroll matters will be exclusively investigated by the OIG.*

*At this school, there was a change of Principal effective July 2017. During the audit period, two part-time employees handled the duties of the Treasurer (consecutively). In August 2017, after completion of this audit, the school hired a full-time Treasurer. Consequently, the conditions cited herein happened under the tenure of the former Principal and part-time acting Treasurers.*

Our review of the internal funds disclosed that, similar to conditions cited in the prior audit report, the school did not process the transmittal of tuition fees to the District in a timely manner for a portion of the 2016-2017 fiscal year. Funds remained in the school accounts pending their transmittal to the District until discovery during the recent audit. This matter was corrected in August 2017. Furthermore, our review of disbursements for the audit period disclosed that the school did not always pay vendors in a timely manner and did not always follow the proper procedures for the acknowledgement of receipt of goods/services. We also found a few instances of expenditures charged to an account not allowed under the account's specific guidelines; as well as an instance where procedures for requesting the tagging of capitalized equipment (for property inventory control purposes) purchased through internal funds were not followed. Details follow:



### *Fee Tuition Transmittals*

Internal audit procedures involve the examination and testing of the fee collection process at school sites. At adult education centers, this also involves reviewing the process for the transmittal of tuition fees collected at the site and submitted to the District (Treasury Management). This action involves not only accuracy but timeliness for processing the transaction. Specific to this matter, the *Tuition Cash Transmittal (Monthly) Report* form [FM-0778] utilized by adult and community education centers clearly states that the monthly fee transmittal is due on the *10<sup>th</sup> day of the subsequent month*.

- 7.1. Although records show that the transmittal of tuition fees collected from March 2017 to June 2017 totaling \$21,285 was initiated in the eSAS system after the closing of each month and before the 10<sup>th</sup> of the following month, these transactions were voided on the same day that they were posted in the system because they were erroneously entered. However, they were not re-entered in the system for transmittal. A lump-sum transmittal (in arrears) was ultimately processed on August 1, 2017, during the audit visit.
- 7.2. Regarding the timeliness of the rest of the transmittals corresponding to the 2016-2017 fiscal year, we noted that the fee tuition transmittals for the months of September 2016 and December 2016 were remitted to the District past the due date (between seven and ten days, respectively). No notations were on file to provide a justification for the delays.

### *Disbursements*

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

In addition, pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary documentation to show that the lowest price was selected. *Split purchases to circumvent this requirement are not allowed*.

Our review of a sample of 13 disbursements (some of which involved more than one invoice) that were made during the audit period and the current fiscal year up to July 2017 disclosed the following discrepancies:

- 7.3. In several instances, the disbursement was not made in a timely manner (17 of 29 invoices). Delays noted ranged from approximately one to nine months. Total disbursements amounted to approximately \$4,200.
- 7.4. In several instances, invoices were not signed to indicate that goods/services had been received as specified and that payment was in order (17 of 25 invoices). Total disbursements amounted to approximately \$13,500.
- 7.5. In two other instances, purchases of polo shirts made to the same vendor around the same time totaling approximately \$1,300 appeared to have been split in order to circumvent the requirement for soliciting quotations from three vendors.
- 7.6. In one instance, the supporting documentation for the payment was a statement of account instead of an itemized invoice (4 invoices).

The Instructional Materials and Supplies Account (Fund 9) was established in the internal funds of the school to provide purchasing flexibility at the school site level. To obtain revenue for the Fund 9 account, schools are allowed to transfer specified amounts of their allocated tax dollar budget funds for materials and supplies purchases. Regarding internal fund purchases charged to Fund 9 revenue, Section III, Chapter 9 of *the Manual* provides the guidelines over Fund 9 purchases and restrictions placed on the use of Fund 9 revenue. Restrictions include those expenditures that should not be charged to the account. These include payments for lease agreements for office machines or equipment such as copiers.

- 7.7. Monthly expenditures for two copiers totaling approximately \$2,500 were improperly charged to the Instructional Materials and Supplies account. These charges encompassed services for 14 months.

Section III, Chapter 8 of *the Manual* requires that equipment with an individual cost of \$1,000 or more be charged to the General Program-Equipment account. To cover the expenditure, a transfer of funds shall be made from the sponsoring account to the General Program-Equipment account, with the actual expenditure being charged to this account structure. These property transactions are governed by the District's procedures as stipulated in the *MDCPS Manual of Property Control Procedures*. Accordingly, an Incoming Controlled Equipment form [FM-1669] form must be submitted to the District's Property Accounting Office to request the tagging of the equipment for inventory control purposes.

- 7.8. During the 2016-2017 fiscal year, the purchase of a printer (with an individual cost of approximately \$1,400) for student identification badges was inappropriately charged to a Trust Program account instead of the General Program-Equipment account. This item was not tagged for property inventory control purposes. At our request, the Incoming Control Equipment Form [FM-1669] was submitted. Subsequent to the audit, we verified that the equipment has been tagged for inventory control purposes.

## **RECOMMENDATIONS**

- 7.1. **The current school administration should direct staff to process fee transmittals according to timelines and should ensure that the transactions are duly processed in the system and transmitted to the District by the due date. Furthermore, the school should verify with the banking institution that the funds have been transferred. Any discrepancies or delays with this process should be discussed with appropriate staff for corrective action and should be documented in the files.**

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

### **Management Response:**

The Principal will meet with the new Treasurer to review the procedures and guidelines for processing monthly transmittals on a timely basis. The Principal will assign an Assistant Principal the task of monitoring the monthly transmittal processes. The Assistant Principal will meet with the Treasurer regularly to ensure transactional posting is duly processed and in a timely manner. If posting or processing delays are noted during the review, the Assistant Principal will discuss them with the Treasurer immediately for a timely resolution.

The Principal, Assistant Principal, or the Treasurer will contact the Supervisor, Vocational Fiscal Services, Adult and Community Education, when assistance is needed.

- 7.2. **The current school administration should review the disbursement guidelines with the current Treasurer to create awareness and understanding of the requirements and expectations.**
- 7.3. **The current school administration should direct the Treasurer to ensure that invoices are signed to reflect the receipt of goods/services and to pay invoices in a timely manner.**

- 7.4. Regarding the matter of purchases of \$1,000 or more, the current school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should inform staff that split purchases are strictly prohibited.
- 7.5. The current school administration should discuss the Fund 9 guidelines with the current Treasurer to ensure that only those disbursements allowable by the guidelines are posted to the account.
- 7.6. The current school administration should discuss capitalized equipment purchases to ensure that recordkeeping and property inventory guidelines are observed with fidelity.
- 7.7. Periodically, the current school administration should review the internal funds documentation to ensure that purchases are made and documented according to the guidelines. Any non-compliance noted during these periodic reviews should be addressed immediately.

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

**Management Response:**

The Principal, Assistant Principal and the new Treasurer and will review School Board Policy 6610 *Internal Accounts*, the *Manual of Property Control Procedures* and the revised *Manual of Internal Fund Accounting*. Specifically, policies and procedures related to purchases over \$1,000; purchasing documentation; timeliness of vendor payments; and property controls.

The Principal will assign an Assistant Principal to assist with the oversight of internal funds. The Assistant Principal will meet with Treasurer regularly to ensure vendor payments are made on time, purchasing documentation are complete, invoices are signed upon receipt of goods, purchases over \$1,000 are accompanied with three written quotations, including a minority vendor and property procedures are adhered to. The Assistant Principal will immediately report any concerns noted to the Principal. The Principal will carefully review disbursement documentation prior to signing to ensure that the established policies and procedures are adhered to.

The Principal, Assistant Principal, or Treasurer will contact the Supervisor, Vocational Fiscal Services, Adult and Community Education, when assistance is needed.

**Person(s) Responsible:** **Adult/Vocational Education Office Administration**

**Management Response:**

- The Principal will consult with School Operations-Adult and Community Education staff to ensure that they are in compliance with all guidelines found in the Manual of Internal Fund Accounting. Site reviews will be conducted each trimester to prevent recurrence of the audit exceptions.
- The Principal and Assistant Principal met with the new Treasurer to review the procedures and guidelines for processing monthly transmittals, review of the disbursement guidelines and to ensure that invoices are signed and paid in a timely manner. The Assistant Principal was assigned to monitor the overall internal funds process. Any discrepancies noted during these reviews will be reported to the Principal and addressed immediately.
- The Principal will attend the District's Money DOES Matter Support Program and include specific fiscal management job targets on his Performance Plan and Assessment System Planning form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

It is expected that the corrective actions will address the internal control of the Internal Funds of the school and will prevent the recurrence of the exceptions. School Operations staff will continue to provide assistance to the Principal to review records and ensure that all guidelines are being followed.

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

**Management Response:**

Refer to page 44 of this report and page 106 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Jackson Adult Education Center.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools/centers for the fiscal year(s) ended June 30, 2016 and/or June 30, 2017, depending on the school/center audited;
- evaluate compliance by the schools/centers with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with payroll procedures, as well as compliance with Purchasing Card Program procedures and with certain current information technology controls;
- verify compliance by the schools/centers with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth in the *Title I Administration Handbook*; and
- ascertain compliance with State law, State Board of Education Rules, School Board Policy, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

While the scope of our audits generally covered operations during the period of July 1, 2015 through June 30, 2016 and/or July 1, 2016 through June 30, 2017 (depending on whether the audit scope was one or two-year audit at the individual school/center being audited), information technology controls included periods in 2017-2018. Also, *depending on the individual school audited*:

- the scope of the Payroll audit was the 2016-2017 and/or 2017-2018 fiscal year(s);
- the scope of the Purchasing Card Program audit was the 2016-2017 fiscal year;
- the scope of the Title I Program audit was the 2015-2016 or 2016-2017 fiscal year;
- the scope of the FTE audit was the 2016-2017 fiscal year, Survey Period 3 (February 2017); and
- the scope of the property audit was the 2017-2018 fiscal year.

Our procedures were as follows:

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

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

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

### **Internal Control Matters**

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

## BACKGROUND

### INTERNAL FUNDS

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

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

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

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

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

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



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

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

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

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

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

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

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

## **PAYROLL**

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

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

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

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

## PROPERTY

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

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

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

## TITLE I PROGRAM

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



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

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

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

### FULL-TIME EQUIVALENT (FTE)

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

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

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

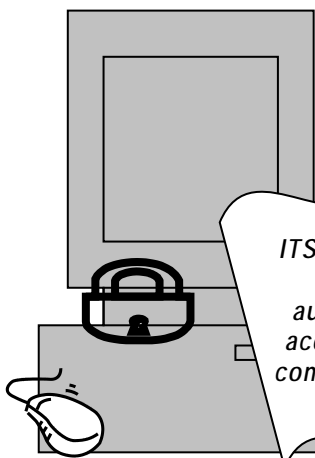
<b>Survey Period No.</b>	<b>Time Period of Survey</b>
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

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

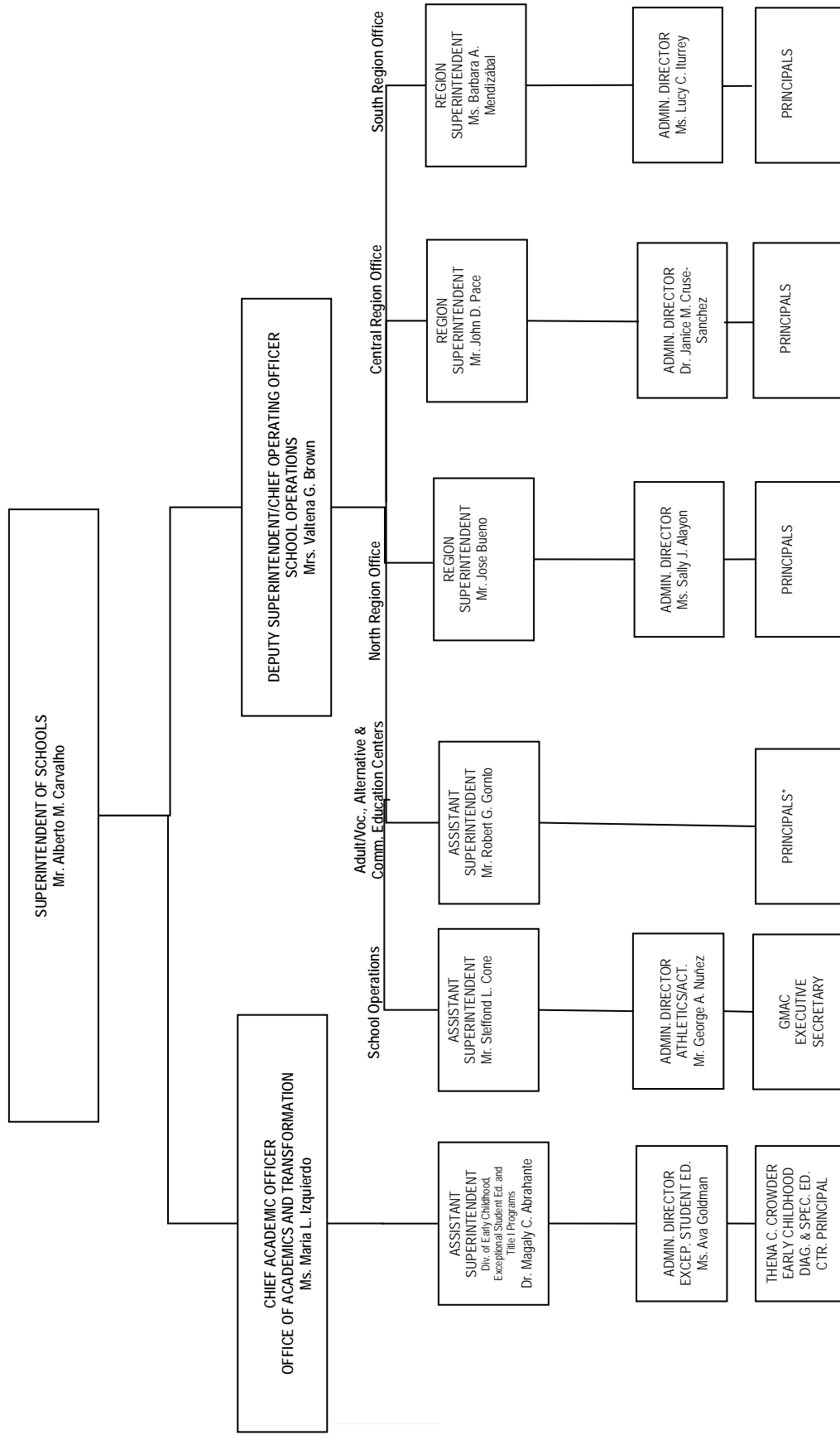
## DATA SECURITY MANAGEMENT REPORT



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

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

# ORGANIZATIONAL CHART (SCHOOLS/CENTERS)



\*Includes Systemwide Business and Industry Services Center.






***APPENDIX  
MANAGEMENT'S RESPONSES***

**MEMORANDUM**

October 25, 2017

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

**FROM:** Deborah G. Riera, Principal  
Biscayne Gardens Elementary 

**SUBJECT:** **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
BISCAYNE GARDENS ELEMENTARY SCHOOL FOR FISCAL YEARS 2015-  
2016 AND 2016-2017**

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

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

**FINDING**

1. **Inadequate Management of After School Care Program Resulted in Program Revenue Losses and Incomplete Records**

**RECOMMENDATIONS**

- 1.1. **The school should identify a level of staff capable of handling program records in a timely and effective fashion to ensure that the recordkeeping will be performed following program guidelines.**
- 1.2. **The school administration should discuss student attendance and payment recordkeeping procedures with appropriate staff to ensure awareness and understanding of the records that must be maintained and how they should be maintained. This discussion should also include the procedures for the completing and filing the Monthly Activity reports, and for timely processing the transmittal of fees to the District.**
- 1.3. **The school administration should discuss the payment schedule with staff to ensure that this is observed.**
- 1.4. **The school administration should direct the program manager to conduct periodic reviews of the student registration cards to ensure that payments are accurately collected and reflected in the payment records.**
- 1.5. **The school administration should discuss a plan of action with the program manager regarding outstanding/delinquent payments and documentation efforts for collecting the debt.**

- 1.6. The school administration should direct the program manager to ensure that all registration cards are on file, reviewed and signed off to document the review at mid-year and the end of school year.
- 1.7. The school administration should ensure that reports to the subsidizing child care agency are timely prepared and submitted to the agency for reimbursement.
- 1.8. The school administration should strengthen oversight of the program and periodically meet with the program manager to review the activity of the program and supporting documentation.

**PERSON(S) RESPONSIBLE: Principal, Assistant Principal, ASC Manager and ACS Specialist**

**MANAGEMENT RESPONSE:**

The Principal has opted to close the Principal-Operated After School Care Program for the 2017-2018 fiscal year and has contracted with a private after school care provider. Should the current administration opt to reestablish a Principal-Operated afterschool program, the following corrective actions would be implemented.

The Principal would identify staff capable of handling program records in a timely manner to ensure that the recordkeeping follows program guidelines.

The Principal would review guidelines as stated in the *Community School Procedures Manual* with the Assistant Principal, After School Care Manager and After School Care Specialist to ensure their understanding and responsibilities pertaining to recordkeeping, registration cards payment collections and schedules, and the timely processing of the transmittal of fees to the District in regards to the Principal-Operated After School Program.

The Principal would instruct the program manager to conduct weekly reviews of the student registration cards to ensure payments are accurately collected and reflected in the payment records. Additionally, the principal would discuss a plan of action with the program manager regarding outstanding delinquent payments and collecting this debt.

Additionally, the Principal will work with the program manager to ensure that reports to the subsidizing child care agency are prepared in a timely manner and submitted to the agency for reimbursement.

The Principal, After School Manager and After Care Specialist will attend trainings with the District's Community School/After School Program Executive Director and staff and seek assistance from them for clarification and guidance when deemed necessary.


Finally, the Principal, along with the Assistant Principal, would strengthen the controls over the program and meet weekly with the program manager to review the activity of the program and supporting documentation of the registration cards to ensure they are reviewed and signed off to document review at mid-year and end of school year.

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

MEMORANDUM

October 23, 2017

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

**FROM:** Ann Lewis, Principal   
North Glade Elementary School

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

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

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

**FINDING**

- 1. Improper Oversight Over Bookkeeping Function Resulted in Account Deficits, Bookkeeping Errors, Delays in the Remittance and Deposit of Collections and Other Discrepancies**

**RECOMMENDATIONS**

- 1.1. The new school administration should request additional internal funds training for the Treasurer and should direct her to request assistance from Internal Funds Accounting when needed. This includes the proper preparation of the Prenumbered Forms inventory required at the closing of each fiscal year.**
- 1.2. Going forward, we firmly recommend that the new school administration implement a periodic system of review over the bookkeeping of the funds, the receipting and depositing of collections and the accountability over student activities. This review should take place with certain frequency to assist in the timely detection/prevention of accounting/posting errors and the monitoring of account balances. This review should take place at both the bookkeeping detail level (Treasurer) and at administrative (oversight) level (Principal/designee).**
- 1.3. The new school administration should direct the Treasurer to observe deposit timelines and complete and file all necessary internal fund documentation that is required by the guidelines.**

- 1.4. To prevent deficit balances in the individual accounts, the new school administration should ensure that the account has sufficient funds before approving any expenditure and before signing any checks. As part of best business practices, we discourage the use of any signature stamp for signing any documents; and encourage the review of bank documentation prior to submitting to the Treasurer for the monthly account reconciliation process.
- 1.5. The new school administration should discuss with sponsoring faculty and staff the timelines for receipting and depositing student collections for awareness and understanding and for compliance with timelines, the preparation of reports.
- 1.6. The new school administration should direct the Treasurer to process collections in a timely manner, and to bring to the attention of the school administration any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.
- 1.7. The school administration should direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry over this requirement along with the Treasurer.
- 1.8. The new school administration should ensure that Student Activity Operating Reports are filed with the records as well ancillary documentation prepared by the sponsors for clear accountability.

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

**MANAGEMENT RESPONSE:**

The new Principal has met with the Assistant Principal and Treasurer to thoroughly review the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to bookkeeping, collections, deposits, postings, account balances and preparation of the Prenumbered Forms inventory. The Principal has requested additional internal funds/eSAS training for the Treasurer and is seeking assistance from the school's assigned Business Manager to further provide support and ensure compliance.

The Principal has established procedures for weekly system reviews over the bookkeeping of the funds, the receipting and depositing of collections and the accountability over student activities. These reviews will take place at the Treasurer (bookkeeping detail level) and with the Principal/Assistant Principal (administrative level). These reviews will assist in ensuring the school does not charge expenditures to Classes and Club, Trust Programs' individual accounts, or to the General Program which would exceed the available revenue in those accounts.

The Principal has directed the Treasurer to follow procedures of deposit timelines and to ensure completion and filing of internal fund documentation required by the guidelines. Also, as the Principal does not own or utilize a signature stamp, all bank statements are opened, reviewed, and signed by the Principal then forwarded to the Treasurer to complete the Monthly Financial report.

The Principal will meet weekly with the Assistant Principal and Treasurer to thoroughly review the guidelines and the documentation required when making internal funds disbursements; the process of receipt of gifts, grants and donated funds recorded in the internal funds of the school; and to ensure accuracy and organization of the inventory of prenumbered official forms be prepared at the end of the fiscal year. The Principal and Assistant Principal will conduct monthly reviews of all accounts and review all documents to ensure compliance and seek assistance immediately should there be any concerns.

The Principal reviewed Weekly Briefing #5164 with the Treasurer and Assistant Principal to ensure understanding of the current procedures for safeguarding school funds, including implementation of the Collections/Deposit Log form (FM-7249) to ensure compliance with the District policies and procedures.

The Principal conducted a faculty meeting to review procedures for sponsoring faculty/staff to remit monies for deposit to the Treasurer's Office in a timely manner. The Principal and Assistant Principal will closely monitor all financial activities to ensure that the Treasurer collects and deposits funds in a timely manner and review all reports to eliminate the errors of incorrect posting to account structures.


The Principal conducted a faculty meeting to review field trip activities and fundraising events recorded in the school's internal funds which must be accounted for separately within accounts. In the case of student activities/fundraisers, the Principal reviewed with the Treasurer the guidelines of the Student Activity Operating Reports which must be completed accurately. The Principal and Assistant Principal will ensure that all operating reports are submitted after each fundraiser.

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

MEMORANDUM

October 31, 2017

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

FROM: Mr. Marcus L. Miller, Principal   
Brownsville Middle School

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF BROWNSVILLE MIDDLE SCHOOL 2016 - 2017 FISCAL YEAR**

This memorandum is being written in response to the audit exceptions for the 2016-2017 fiscal year. The recommendations provided by the auditor are included as well as corrective actions that will be taken by this administrative team to prevent a reoccurrence of all exceptions contained within the audit report.

**RECOMMENDATIONS:**

- 1.1 The current school administration should request additional internal funds training for the Treasurer and should direct her to request assistance from Internal Funds Accounting when needed. This includes the proper preparation of the Prenumbered Forms inventory required at the end of each fiscal year.
- 1.2 Going forward, we firmly recommend that the current school administration implement a periodic system of review over the bookkeeping of funds, the receipting and depositing of collections and the accountability over student activities. This review should take place with certain frequency to assist in the timely detection/prevention of accounting/posting errors and the monitoring of account balances. This review should take place at the detail level (Treasurer) and administrative and at administrative (oversight) level (Principal/designee).
- 1.3 All efforts to refund remaining balances in field trip functions of \$1 or more per student must be made prior to the close of the fiscal year.
- 1.4 The current school administration should direct the Treasurer to process collections in a timely manner, and to bring to the attention of the school administration any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.
- 1.5 The current school administration should direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry over this requirement along with the Treasurer.
- 1.6 The current school administration should ensure that Student Activity Operating Reports are filed with the records as well ancillary documentation prepared by sponsors for clear accountability.

**PERSONS RESPONSIBLE:** Principal, Assistant Principal, Secretary/Treasurer

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principal, Secretary/Treasurer and directed the Treasurer to request additional assistance from the Internal Funds Accounting and the Region Business Manager. Specifically, a review of the proper preparation and organization of the Prenumbered Forms Inventory that is required at the end of the year was discussed.



The Principal met with the Assistant Principal, Secretary/Treasurer, and reviewed the Manual of Internal Fund Accounting Section II, Chapter 2, 4, 7, and 8 regarding policies and procedures on the safeguarding of funds to ensure understanding of the guidelines and requirements for the handling, posting, depositing, disbursement and safeguarding of monies. In addition, the Principal directed the Treasurer to ensure that at least three written quotations be solicited, one of which must be a certified minority/women business enterprise for purchases \$1,000 or more.

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

The Principal will conduct bi-weekly reviews of financial records to check for accuracy and ensure compliance with policies and procedures. The Principal will conduct follow up meetings with the Assistant Principal and Secretary/Treasurer to discuss any discrepancies noted during the monthly reviews. The Treasurer will seek and attend professional development workshop pertaining to internal funds; as well as to request assistance from the Business Manager that is assigned to the school. The Treasurer will also seek to become familiar with the procedures outlined in the Manual of Internal Fund Accounting.

The Principal assigned the Assistant Principal to review weekly all aspects of student financial activities and the receipting process. The Secretary/Treasurer was directed to indicate full account structures on Recap of Collection form to ensure accuracy. The Principal, Assistant Principal, and Treasurer conducted a meeting with all Sponsors on correct completion of the Student Activity Operating Reports. The Assistant Principal and Secretary/Treasurer were directed to ensure that funds collected are processed in a timely manner and to inform the Principal of any instances in which Sponsors do not adhere to timelines. The Principal will rectify any discrepancies and ensure adherence to timelines given. The Principal will conduct a periodic system of review will be implemented bi-monthly on all levels to detect/prevent accounting/posting errors and to ensure the monitoring of accounting balances.

The Principal directed the Secretary/Treasurer to adhere Section IV, Chapter 1 of the Manual of Internal Fund Accounting which states that if the existing balance is \$1 or more per student, refunds must be issued to the respective students. After meeting with the Assistant Chief Auditor, it was determined that the Secretary/Treasurer would transfer the remaining balance in field trip functions to General Miscellaneous.

**RECOMMENDATIONS:**

- 2.1. The current school administration should attend the Title I Program training sessions to ensure full understanding and awareness of the requirements for documenting the use of Title I Program funds, the inventory requirements, and requirements for the approval of the disposal of equipment**
- 2.2. The current school administration should devise a system to track all equipment items purchased and distributed to staff/students; as well as any equipment that may be moved from the inventory due to loss or damage.**

- 2.3. All approvals for disposing of equipment purchased with Title I Program funds must be obtained and filed prior to the disposal of the equipment.

**PERSONS RESPONSIBLE:** Principal, Assistant Principal, Head Custodian

**MANAGEMENT RESPONSE:**

The Principal will attend the mandatory Title I Principal Program Training session to ensure a full understanding and awareness of the requirements for documenting the use of Title I Program funds, inventory requirements and requirements for the approval of the disposal of equipment.

The Principal met with Assistant Principal and Head Custodian to review Section C of the Title I Administration Handbook which establishes the guidelines for disposal and transfer of equipment purchased with Title I Program Funds. The Principal emphasized that documentation of the request for disposal from the Department of Title I Administration is required and requires the completion of an Outgoing Controlled Equipment Form (FM-1670) to dispose of obsolete equipment.

The Principal directed the Assistant Principal to utilize the spreadsheet developed by the District's Title I Administration office to identify and monitor Title I Capitalized and Non-Capitalized equipment location in the building. In addition, new procedures will dictate that the identification of the name of individual that last verified location with initials and date, and name of administrator that approved removal from location and outgoing property control number. The Assistant Principal will ensure that all Title I property is identify with the required sticker. The Assistant Principal will conduct an internal Title I property review three times per school year utilizing the spreadsheet. The Principal will randomly verify property items location and number and complete necessary paperwork if discrepancies cannot be rectified.

**RECOMMENDATIONS:**

*We again recommend the following:*

- 3.1. The current school administration should devise and implement an effective action plan for the safeguarding of assets and the management of property, and designate staff to carry out the plan.
- 3.2. The school administration should ensure that the entire school staff, especially those in charge of property management, understand and are fully aware of the procedures for safeguarding and maintaining control over property.
- 3.3. The monitoring and accounting of property should be strengthened by conducting in-house property inventories periodically to identify discrepancies and resolve them in a timely manner.
- 3.4. In the event of an incident, the current school administration should ensure that the Plant Security Reports are correctly completed, submitted to M-DSPD in a timely manner, and followed up to ensure their proper recording.

**PERSONS RESPONSIBLE:** Principal, Assistant Principal, Head Custodian

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principal and Head Custodian to review the Manual of Property Control Procedures established guidelines for recording and managing property. Specifically, Section 5 which requires schools to immediately report to School Police via telephone any damage, loss, vandalism, or malicious mischief and provide all available information, and to complete and submit Plant Security Report (FM-0366) within 24 hours of the telephoned report was ostensibly discussed.

The Principal will meet with all staff members at a faculty meeting on November 1, 2017, a plan outlining procedures to ensure staff members do not relocate items from designated areas without prior authorization. The movement of property must be submitted via email to the Assistant Principal that supervises property and await a response prior to moving the item from one location to another.

The Principal directed the assigned Assistant Principal to utilize a spreadsheet that delineates: dates items received, description of equipment, serial number, location of equipment, verification date of location, name of individual last verified location, date and name of administrator that approved removal from location and outgoing property control number with required paperwork. The Assistant Principal will conduct an internal property review three times per school year utilizing the spreadsheet. The Principal will randomly verify property items location, property number and complete necessary paperwork, if discrepancies cannot be rectified.


If additional information is needed, please feel free to contact me at 305-633-3216.

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

**MEMORANDUM**

November 3, 2017

**TO:** Barbara Mendizábal, Region Superintendent  
South Region Office

**FROM:** Kenneth L. Williams, Principal   
Leisure City K-8 Center

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT FOR  
LEISURE CITY K-8 CENTER FOR 2016-2017**

This memorandum is in response to the audit exceptions that were found for Payroll for the 2016 – 2017 school year. Below are detailed explanations of the corrective actions that will be implemented in order to address each item. These corrective actions will be implemented immediately.

**RECOMMENDATIONS:**

1. **Discuss the payroll sign-in procedures with the entire staff for awareness and understanding of the payroll requirements; and institute the periodic review of the payroll sign-in procedures to ensure that staff is compliant with the requirements. Any instances of non-compliance noted during the periodic reviews should be immediately discussed with affected staff for resolution and corrective action.**

**Responsible Persons: Principal, Assistant Principal and Payroll Clerk**

**Management Response:**

In review of the findings and recommendations reported, the current administration will take immediate action to enforce proper procedures and ensure compliance with the expectations of the District.

Specifically, during a faculty meeting held November 1, 2017, the Principal explained the requirements of accurate payroll procedures to all faculty members. In addition, On November 1, 2017, the Principal met with the cafeteria, clerical, security, and custodial staff individually to ensure their awareness and understanding of the payroll requirements. The Principal and the designated Assistant Principal also met with all hourly staff on November 1, 2017 to review *Weekly Briefing #. 21389* and confirm their understanding of the proper sign-in/sign-out procedures.

Furthermore, the Principal met with Payroll Clerk and the Assistant Principals and reviewed the *Payroll Processing Procedures Manual* and *Weekly Briefing #. 21389* that was issued on August 10, 2017 as a reminder of the detailed instructions regarding the correct payroll sign-in procedures on the Daily Payroll Attendance Sheets, for all employee types. The Principal, the designated Assistant Principal, and the Payroll Clerk will review the sign-in sheets periodically at the start of the day and at various times throughout the day. Employees will be notified immediately should a discrepancy in the procedure be found. The Principal will meet individually with employees who have not adhered to the proper procedure. Subsequent violations will result in written directives and may result in further disciplinary action.


If you have any further questions, please contact, Kenneth Williams, Principal at Leisure City K-8 Center at 305-247-5431.

cc: Ms. Cynthia Gracia  
Ms. Lucy C. Iturrey

**MEMORANDUM**

November 3, 2017

**TO:** Mr. Robert G. Gormto, Assistant Superintendent  
School Operations

**FROM:** Ron A. Butler, Principal   
Miami Jackson Adult Education Center

**SUBJECT:** **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF JACKSON  
ADULT EDUCATION CENTER**

The following is submitted in response to the Audit Report of Miami Jackson Adult Education Center for the 2015-2016 and 2016-2017 fiscal years.

The audit findings have been carefully reviewed by the new 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.

**FINIDINGS**

- 1. Inadequate Controls Over The Bookkeeping Of Funds Resulted In Delays In The Transmittal Of Monthly Tuition Fees And Non-Compliance With Disbursement Guidelines**

**RECOMMENDATIONS**

- 1.1. The current school administration should direct staff to process fee transmittals according to timeliness and should ensure that the transactions are duly processed in the system and transmitted to the District by the due date. Furthermore, the school should verify with the banking institution that the funds have been transferred. Any discrepancies or delays with this process should be discussed with the appropriate staff for corrective action and should be documented.**

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

**Management Response:**

The Principal will meet with the new Treasurer to review the procedures and guidelines for processing monthly transmittals on a timely basis. The Principal will assign an Assistant Principal the task of monitoring the monthly transmittal processes. The Assistant Principal will meet with the Treasurer regularly to ensure transactional posting is duly processed and in a timely manner. If posting or processing delays are noted during the review, the Assistant Principal will discuss them with the Treasurer immediately for a timely resolution.

The Principal, Assistant Principal, or the Treasurer will contact the Supervisor, Vocational Fiscal Services, Adult and Community Education, when assistance is needed.

- 1.2. The current administration should review the disbursement guidelines with the current Treasurer to create awareness and understanding of the requirements and expectations.
- 1.3. The current administration should direct the Treasurer to ensure that invoices are signed to reflect the receipt of goods/services and to pay invoices in a timely manner.
- 1.4. Regarding the matter of purchases of \$1,000 or more, the current school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should inform staff that split purchases are strictly prohibited.
- 1.5. The current school administration should discuss the Fund 9 guidelines with the current Treasurer to ensure that only those disbursements allowable by the guidelines are posted to the account.
- 1.6. The current school administration should discuss capitalized equipment purchases to ensure that recordkeeping and property inventory guidelines are observed with fidelity.
- 1.7. Periodically, the current school administration should review the internal funds documentation to ensure that purchases are made and documented according to the guidelines. Any non-compliance noted during these periodic reviews should be addressed immediately.

**Person(s) Responsible:**

**Principal, Assistant Principal and Treasurer**

**Management Response:**

The Principal, Assistant Principal and the new Treasurer will review School Board Policy 6610 *Internal Accounts*, the *Manual of Property Control Procedures* and the revised *Manual of Internal Fund Accounting*. Specifically, policies and procedures related to purchases over \$1,000; purchasing documentation; timeliness of vendor payments; and property controls.

The Principal will assign an Assistant Principal to assist with the oversight of internal funds. The Assistant Principal will meet with Treasurer regularly to ensure vendor payments are made on time, purchasing documentation are complete, invoices are signed upon receipt of goods, purchases over \$1,000 are accompanied with three written quotations, including a minority vendor and property procedures are adhered to. The Assistant Principal will immediately report any concerns noted to the Principal. The Principal will carefully review disbursement documentation prior to signing to ensure that the established policies and procedures are adhered to.

The Principal, Assistant Principal, or Treasurer will contact the Supervisor, Vocational Fiscal Services, Adult and Community Education, when assistance is needed. If additional information is needed, please contact me at 305 634-2621.

RAB:

cc: Dr. Reginald H. Johnson  
Ms. Cynthia Gracia

MEMORANDUM

October 31, 2017  
JB# 038 /2017-2018  
(305) 572-2800

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

FROM: Jose Bueng, Region Superintendent  
North Region Office

**SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOLS**

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

**Biscayne Gardens Elementary**

**1. Inadequate Management of After School Care Program Resulted in Program Revenue Losses and Incomplete Records**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal, After School Care Manager and After School Care Specialist to implement and monitor with the Assistant Principal to ensure that should the Principal-Operated After Care program ever be reinstated at the school, the program would be managed following guidelines. Additionally, the Principal will thoroughly review the *Community Schools Procedures Manual* with the Assistant Principal, After Care Manager and Specialist.

The Principal was instructed to devise a plan to strengthen the controls over the management of the program to ensure that capable staff is in place to handle records in a timely manner to ensure the recordkeeping is performed following all guidelines.

The Principal was instructed to discuss with staff student attendance and payment procedures to ensure records are maintained accurately. Also, the Principal was instructed to follow guidelines to ensure that Monthly Activity Reports are completed and filed following procedures and that fee transmittals to the District were completed in a timely manner. Additionally, the Principal was instructed to review the fee payment schedule with staff.

The Principal was instructed to direct the program manager to conduct periodic reviews of the student registration cards to ensure payments are accurately collected and reflected in the payment records. In addition, the Principal was instructed to devise a plan of action with the program manager to address outstanding/delinquent payments and document efforts for collecting debt.

The Principal was instructed to meet with the After Care Manager, Specialist and Assistant Principal on a weekly basis to review registration cards and ensure they were completed with accuracy prior to signing off for both the mid-year and end of review. Also, the Principal instructed them to ensure that reports subsidizing child care agency are prepared promptly and submitted to the agency for reimbursement.

The Principal was instructed to attend trainings along with her staff. The Office of Community School/After School Programs schedules these trainings on a monthly basis. The Principal was further instructed to seek assistance from this office on a regular basis for clarification and guidance should discrepancies arise.

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

Lastly, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions for the 2018-2019 school year and include specific fiscal management job targets on their Performance Plan and Assessment System Planning Form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

#### **North Glade Elementary**

##### **1. Improper Oversight Over Bookkeeping Function Resulted in Account Deficits, Bookkeeping Errors, Delays in the Remittance of and Deposit of Collections and Other Discrepancies**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that bookkeeping functions are strengthened across the board to avoid account deficits, errors, delays in the remittance of and deposit of collections. Additionally, the Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Treasurer and Assistant Principal to ensure understanding or procedures and guidelines.

The new Principal was instructed to schedule the Treasurer for additional internal funds training and to seek assistance as needed from the District Business Manager. The Principal was instructed to meet with the Treasurer weekly (Assistant Principal as well to serve at times as designee) to review bookkeeping of funds, receipting and depositing of collections and the accountability over student activities.

The Principal was instructed to ensure the Treasurer follows deposit timelines and complete and file internal fund documentation required by guidelines. The Principal was instructed to ensure accounts have sufficient funds prior to approving any expenditure and before signing any checks.

The Principal was instructed not to utilize a signature stamp and to ensure that bank documentation is reviewed prior to submitting to the Treasurer for the monthly account reconciliation process.



The Principal was instructed to meet with sponsoring faculty and staff to ensure an understanding of procedure and compliance as related to timelines for receipting and depositing student collections and the preparation of reports.

The Principal was instructed to direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and ensure the Assistant Principal also oversees this requirement along with the Treasurer. Additionally, the Principal instructed the Treasurer to file all Student Activity Operating Reports with the records as well as any accompanying documentation prepared by the sponsor.

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

JB/SA/IM

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

**MEMORANDUM**

November 3, 2017  
JDP/#022/2017-18

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

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

**SUBJECT: CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORT FOR  
BROWNSVILLE MIDDLE SCHOOL**

Please find attached the responses to the audit findings for Brownsville Middle School. The Central Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**1. Inadequate Controls Over the Bookkeeping Function Resulted in Errors and Incomplete/Inadequate Financial Records of the School**

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

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Treasurer, Assistant Principal and Principal will review the monthly reconciliation as well as conduct periodic reviews of internal fund documents to ensure accuracy. The Principal has been instructed to solicit assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Treasurer.

The Financial/Business Director instructed the Principal to develop and establish a procedure that will be followed that denotes the proper steps in sponsoring field trips. The procedures will have the administrator and assistant principal oversee the process and provide checks and balances to ensure compliance in all policies and procedures.

**2. Non-Compliance with Title I Program Requirements Resulted in Unspent Funds, Unlocated Title I Equipment (Non-Capitalized), and Incomplete Documentation**

The Financial/Business Director instructed the Principal to devise a procedural tracking system to monitor all equipment items purchased with Title I Program funds and to review with staff and students. In addition, the Principal will meet with staff to outline and review the Title I Program guidelines and how it relates to the maintenance of property inventory and its location on school grounds. The Principal will emphasize the requirement of administrative approval in order for equipment movement throughout the facility and ensure required steps for proper disposal of Title I equipment are followed.

Finally, the Principal will monitor Title I funds to ensure usage by the deadline provided by the Title I office.

### **3. Insufficient Controls Over Capitalized Property Inventory Resulted in Loss of Equipment and the Reporting of “Unlocated” Items**

The Financial/Business Director instructed the Principal to devise a procedural tracking system to monitor all equipment items purchased. In addition, the Principal will meet with staff to outline and review new guidelines on effective maintenance of property inventory and its location on school grounds. The Principal will emphasize the requirement of administrative approval in order for equipment movement throughout the facility and ensure steps for proper disposal are followed.

Lastly, the Secretary/Treasurer has been paired with a Region Center mentor to serve as colleague to colleague mentorship for the 2017-2018 school year.

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

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

The Central Region Office Financial/Business Operations Administrative Director has directed the Principal to attend 2018-2019 Money DOES Matter Support Program.

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

JDP/JCS

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

**MEMORANDUM**

November 3, 2017

**TO:** Mrs. Valtena G. Brown, Deputy Superintendent  
School Operations

**FROM:** Barbara A. Mendizábal, Region Superintendent  
South Region Office



**SUBJECT: RESPONSE TO AUDIT REPORT OF LEISURE CITY K-8 CENTER**

Please find attached the responses to the audit findings for the 2016-2017 fiscal year for Leisure City K-8 Center. The South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Leisure City K-8 Center**

**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 addressing staff who do not adhere to the guidelines for signing in and out, as required. 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 periodic and unannounced 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.

The Principal will participate in the 2018-2019 *Money Does Matter Support Program*.

Should you need additional information, please contact me at (305) 252-3041.

BAM:LI  
M#24


Attachments

cc: Ms. Cynthia Gracia  
Ms. Lucy Iturrey

**MEMORANDUM**

**November 6, 2017**

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

**FROM:**   
Robert G. Gornto, Assistant Superintendent  
School Operations

**SUBJECT: SCHOOL OPERATION'S RESPONSE TO MIAMI JACKSON ADULT  
EDUCATION CENTER'S AUDIT EXCEPTIONS FOR SCHOOL YEARS 2015-  
2016 AND 2016-2017**

Attached is the response to the Internal Funds Audit for the 2015-2016 and 2016-2017 fiscal years for Miami Jackson Adult Education Center. Staff from School Operations has reviewed the exceptions cited in the audit report. The following actions will be implemented:

- The Principal will consult with School Operations-Adult and Community Education staff to ensure that they are in compliance with all guidelines found in the Manual of Internal Fund Accounting. Site reviews will be conducted each trimester to prevent recurrence of the audit exceptions.
- The Principal and Assistant Principal met with the new Treasurer to review the procedures and guidelines for processing monthly transmittals, review of the disbursement guidelines and to ensure that invoices are signed and paid in a timely manner. The Assistant Principal was assigned to monitor the overall internal funds process. Any discrepancies noted during these reviews will be reported to the Principal and addressed immediately.
- The Principal will attend the District's Money DOES Matter Support Program and include specific fiscal management job targets on his Performance Plan and Assessment System Planning form and provide progress points/evidence of progress to improve Business and Professional Standards for effectiveness and efficiency.

It is expected that the corrective actions will address the internal control of the Internal Funds of the school and will prevent the recurrence of the exceptions. School Operations staff will continue to provide assistance to the Principal to review records and ensure that all guidelines are being followed.

If additional information is needed, Please feel free to contact me at 305 995-7582.


RGG:dlv  
M019

cc: Ms. Cynthia Gracia  
Dr. Reginald H. Johnson  
Mr. Ron Butler

**MEMORANDUM**

**November 6, 2017**

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

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

**SUBJECT: SCHOOL OPERATIONS RESPONSE TO SCHOOL AUDITS OF SELECTED SCHOOLS  
IN NORTH, CENTRAL, SOUTH REGION OFFICES AND ADULT VOCATIONAL AND  
TECHNICAL COLLEGES**

School Operations has reviewed the audit findings cited in the 2015-2016 and/or 2016-2017 fiscal year reports of the following schools reporting to the North, Central, South Region Office and Adult Vocational and Technical Colleges: Biscayne Gardens Elementary School, North Glade Elementary School, Brownsville Middle School, Leisure City K8 Center and Miami Jackson Adult Education Center. The following preventive actions will be taken through School Operations:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls are in place for recordkeeping and bookkeeping functions, reporting of payroll, timely transmittal of monthly tuition fees, property control, Title I Program requirements and after-school programs.
- School Operations in collaboration with the Region Centers and Adult Vocational and Technical Colleges, will arrange for a colleague to colleague support team through Fiscal Review Teams site visits to provide support in Fiscal and Organizational Management.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and the Regions' Scaled Leadership meetings in Money Smarts.

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  
M060

cc Region Superintendent  
Ms. Cynthia Gracia  
Region Director

## Anti-Discrimination Policy

### Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **In Addition:**

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

For additional information contact:

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



***Miami-Dade County Public Schools***

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

**Office of Management and Compliance Audits  
1450 N. E. 2nd Avenue, Room 415  
Miami, Florida 33132  
Tel: (305) 995-1318 • Fax: (305) 995-1331  
<http://mca.dadeschools.net>**