

MIAMI-DADE COUNTY PUBLIC SCHOOLS

***Internal Audit Report
Selected
Schools/Centers***



*At All 30 Schools/Centers, The
Financial Statements Were Fairly
Stated.*

*At Four Schools/Centers, Controls
Over The Bookkeeping Function,
Receipts and Disbursements,
Fundraising/Athletic Activities,
Grants, Payroll And Full-Time
Equivalent (FTE) Reporting Need
Improvement.*

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

January 2015

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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January 20, 2015

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/centers

Ladies and Gentlemen:

This report includes the audit results of 30 schools/centers currently reporting to the North Region, South Region, the Education Transformation Office (ETO) and the Division of Adult/Vocational, Alternative and Community Education. In addition, one of these audit results corresponds to the Greater Miami Athletic Conference (GMAC), an entity in support of interscholastic athletic activities of senior high schools that is housed at the Division of Athletics, Activities and Accreditation. The audit period of six of the 30 school audits is two fiscal years ended June 30, 2014, while the audit period of the remaining 24 school audits is one fiscal year ended June 30, 2014. At five schools/centers, there was a change of Principal since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets are properly safeguarded. The audits included a review of internal funds at all the schools/centers. On a selected basis, we reviewed payroll, credit card purchases, Full-Time-Equivalent (FTE) reporting and student records, and selected aspects of data security. The audits also included the results of property inventories.

Our audits disclosed that the financial statements of all the schools/centers reported herein were fairly stated. At 26 of the 30 schools/centers, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for most schools/centers reported herein were satisfactory.

At four schools/centers, we cited deficiencies in the bookkeeping of the funds, the disbursement function, the collection and depositing of funds, the reporting and recording of payroll, oversight over FTE records and procedures, staff's handling of certain athletic and fundraising/student activities, and the management of grants. At one of these schools/centers, we discovered a misappropriation of funds and identified a former club sponsor as the responsible party. During the audit, the individual admitted to the misappropriation. At present, the case is at the State Attorney's Office pending trial.

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 30 schools/centers. These include 22 schools/centers that report to the North Region Office, four to the South Region Office, one to the Education Transformation Office (ETO), two that report to the Adult/Vocational and Community Education Division within School Operations, and the Greater Miami Athletic Conference (GMAC)¹. This entity is housed at the District and currently reports to the Division of Athletics, Activities and Accreditation within School Operations.

The 30 schools/centers comprise the audit results of six schools/centers with a two-fiscal year audit period ended June 30, 2014, and 24 schools/centers with a one-fiscal year audit period ended June 30, 2014. At five schools/centers, there was a change of Principal since the prior audit.

The audits disclosed that 26 of the 30 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The four schools/centers with audit findings and the affected areas are as follows:

School/Center Name	Region	No. Of Findings	Area Of Findings							
			Book-keeping	Fund-raising	Athletic Activities	Disburse-ments	Grants	Receipts	FTE	Payroll
1. James H. Bright/J. W. Johnson Elementary	North	2	1			1				
2. North Glade Elementary	North	1								1
3. Westland Hialeah Senior	North	1							1	
4. Miami Northwestern Senior	ETO	7		2 (Funds Misappropriation)	1	1	1	1	1	
Totals		11	1	2	1	2	1	1	2	1

As depicted in the table above, at certain schools/centers, we cited deficiencies in the bookkeeping of the funds, the disbursement function, and the collection and depositing of funds. At Miami Northwestern Senior, we discovered a misappropriation of funds and identified the former Cheerleader Sponsor as the party responsible for the misappropriation. At present, the case is at the State Attorney's Office pending trial. Other areas of noted discrepancies included the payroll function, Full-Time-Equivalent (FTE) records and procedures, staff's handing of certain athletic and fundraising/student activities, and grants.

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 18-21. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 30-71); and in the Appendix section in memorandum format (Pages 82-101).

¹ Refer to pages 79-80 for background information regarding this entity.

Notwithstanding the conditions and findings reported herein, at all 30 schools/centers reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools/centers during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school audited.

As of June 30, 2013, for six of the 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$3,182,341.36 and \$3,110,403.42, respectively; while total combined cash and investments amounted to \$1,606,592.63 (Page 8). As of June 30, 2014, for all 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,623,471.02 and \$5,649,193.97, respectively; while total combined cash and investments amounted to \$2,157,839.27 (Pages 9-12).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at all 30 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.

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

INTERNAL FUNDS

Internal funds records and procedures were reviewed at all 30 schools/centers. Of this total, 28 schools/centers were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following two schools/centers, we found the following:

- At James H. Bright/J. W. Johnson Elementary, we initially visited the school to conduct the 2012-2013 fiscal year audit; however, because of discrepancies noted during our initial visit, we extended the audit to the 2013-2014 fiscal year. Our reviews disclosed many instances where transactions were posted to the incorrect accounts, as well as instances where the school was not in compliance with some of the requirements associated with the internal funds of the school. Specifically, non-compliant matters related to check writing procedures and mispostings in the collections/disbursements associated with the rental of parking facilities, field trips and grants. Regarding disbursements, we noted instances where individual purchases of \$1,000 or more were not supported with the minimum of three written vendor quotations, including one from a certified minority enterprise. In several other instances, disbursements were supported with a faxed copy instead of an original invoice; or the payment was made more than 30 days after the date of the invoices, and arrangements with the vendors to pay on a different schedule were not documented in the files (Pages 30-38).
- At Miami Northwestern Senior, a review of the financial records associated with cheerleading activities disclosed a monetary shortfall. The former activity sponsor

admitted to “borrowing” part of the shortfall due to financial need. We referred the case to MDCPS Police and the State Attorney’s Office, and presently, the case is set for trial. Our follow-up review of fundraisers disclosed monetary shortfalls in several of the activities tested and some of the ancillary documentation was incomplete or inaccurate. At June 30, 2014, the Athletics Fund closed the year with a deficit, which not only continued but increased this year. Net athletic game proceeds due to the school had not been received from an opposing high school and staff had not followed up on this matter. Other athletic-related accounts in the Trust Fund similarly closed the year with deficits. Our follow-up review of disbursements disclosed instances where individual purchases of \$1,000 or more were not supported with the minimum of three written vendor quotations, including one from a certified minority enterprise; some of the invoices were not signed to indicate acknowledgement of receipt of goods; and purchase orders were not prepared or entered into the system for individual purchases of \$100 or more. The school received a grant for the implementation of an entrepreneurship curriculum and used the funds to purchase a laptop and an iPad. The equipment was not at the school but at a teacher’s residence at the time of the audit; however, the requisite form identifying the individual with custody of the equipment and administrative approval to remove and use the equipment away from school premises was not prepared. In addition, we noted several instances where collections remained at the school overnight/over the weekend; however, the collections were not recorded in the Collection/Deposit Log form and amounts were not verified by an administrator. We also noted delays in the remittance of collections and the posting of the corresponding transactions to the automated system (Pages 48-65).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 29 of the 30 schools/centers. Regarding Robert R. Moton Elementary, a property inventory was not completed in time to include in this publication and results will be reported at a later date, once completed.

At 29 schools/centers, Property Audits staff inventoried a total of 6,572 equipment items with a total approximate cost of \$17 million. Of the 29 inventories, 27 proved satisfactory. Results for the remaining two schools/centers disclosed that a total of three equipment items with a total depreciated value of \$579 and a total acquisition cost of \$4,299 could not be located (refer to Property Schedules on Pages 26-28).

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 two items with a total depreciated value of \$1,230 and a total acquisition cost of \$2,350 were reported missing at two of the 29 schools/centers. Both items consisted of custodial equipment (pressure cleaners) (Page 29).

PAYROLL

We reviewed current payroll records and procedures at the following 12 schools/centers:

Schools/Centers	Region	Schools/Centers	Region
James H. Bright/J. W. Johnson Elementary ²	North	Charles D. Wyche, Jr. Elementary	North
Gratigny Elementary	North	John F. Kennedy Middle	North
Greynolds Park Elementary	North	Cutler Bay Academy Of Advanced Studies, Centennial Campus ²	South
Meadowlane Elementary	North	W. R. Thomas Middle ²	South
North Glade Elementary ²	North	Miami Northwestern Senior	ETO
Ojus Elementary	North	Miami Beach Adult & Community Education Center ²	Adult Education

At 11 of the 12 schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

- At North Glade Elementary, a review of three consecutive payrolls processed in late April, May and June 2014, under the tenure of the former school administration, disclosed many discrepancies in the payroll reported and recorded for full-time and part-time employees. Several of these discrepancies required payroll corrections. We extended our review to a recent payroll processed under the current school administration and noted a significant improvement in the recording, reporting and documenting of payroll, especially the completion of leave cards; however, we still noted a few errors that required payroll corrections and some leave cards that were not properly completed.

Most errors noted in the finding corresponded to the initial review. These included: leave cards not filed or not properly completed; leave taken but not reported, or the wrong type of leave reported; employees who were paid for days when the attendance was not recorded on the roster, or who were paid for days for which they were not entitled to receive payment. Regarding part-time staff, hours not reported from a prior pay period were not entered in the system via payroll corrections. Instead, hours not reported were added to hours earned in a subsequent pay period; thus causing discrepancies between the total hours reported and those reflected on the Daily Payroll Attendance Sheets. This created some errors which also required payroll corrections (Pages 39-42).

² Change of Principal at this school (5 schools).

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

Schools/Centers	Region	Schools/Centers	Region
Virginia A. Boone/ Highland Oaks Elementary	North	Skyway Elementary	North
Bunche Park Elementary	North	Cutler Bay Academy Of Advanced Studies, Centennial Campus	South
Greynolds Park Elementary	North	Miami Northwestern Senior	ETO
Meadowlane Elementary	North	Miami Beach Adult & Community Education Center	Adult Education
Rainbow Park Elementary	North		

Our review disclosed that all nine schools/centers listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following 12 schools/centers were selected for these audits:

Schools/Centers	Region Office	Survey Period (SP)	FTE Funding
Virginia A. Boone/Highland Oaks Elementary	North	2014-2015 SP 2	\$ 1,813,184
W. J. Bryan Elementary	North	2014-2015 SP 2	1,774,762
Bunche Park Elementary	North	2014-2015 SP 2	715,374
North Glade Elementary	North	2013-2014 SP 3	791,783
Ojus Elementary	North	2013-2014 SP 3	2,138,632
Charles D. Wyche, Jr. Elementary	North	2014-2015 SP 2	1,819,302
Andover Middle	North	2014-2015 SP 2	1,970,769
John F. Kennedy Middle	North	2014-2015 SP 2	2,688,490
Nautilus Middle	North	2014-2015 SP 2	2,758,214
Westland Hialeah Senior	North	2013-2014 SP 3	5,031,355
W. R. Thomas Middle	South	2013-2014 SP 3	2,373,386
Miami Northwestern Senior	ETO	2013-2014 SP 3	3,553,397
Total FTE Funding			\$ 27,428,648

The total FTE funding amounted to approximately \$27.4 million for the 12 schools/centers combined. FTE records reviewed corresponded to the 2013-2014 fiscal year Survey Period 3 (February 2014) or 2014-2015 fiscal year Survey Period 2 (October 2014), depending on the school audited, as listed on the table above. Our FTE reviews disclosed that ten of the 12 schools/centers were generally compliant with District policy.

- At Westland Hialeah Senior and Miami Northwestern Senior, *English Language Learners* (ELL) documentation such as: student plans, class schedules, and notices to parents, to name some, were not properly completed or not evident in the folders. In addition, several folders did not include evidence that a *Limited English Proficiency* (LEP) Committee meeting had been convened to consider a student's extended placement in the *English for Speakers of Other Languages* (ESOL) program. Regarding *On-The-Job* (OJT) Training records, we noted instances where the hours reported were less than the required minimum of 15 hours per week, as well as instances where there was no evidence that the student had worked for a certain time period, or the student's job search history was not on file.

Other discrepancies identified at Miami Northwestern Senior included instances where teacher certification records were incomplete and we could not verify the School Board's approval to teach out-of-field for some of the teachers sampled. Regarding Special Education (SPED) and Gifted records, we found errors with the dates on the student plans, some of the plans did not have the required professional signatures, or a *Matrix of Services* form was not evident in the student file (Pages 43-47 and 66-71, respectively).

DATA SECURITY

We reviewed the report titled "*Authorized Applications for Employees by Locations Report*" at the following three schools/centers:

Schools/Centers	Region
Gratigny Elementary	North
Ernest R Graham K-8 Academy	North
John F. Kennedy Middle	North

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

AUDIT OPINION

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

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

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments			Total Cash and Investments
							Money Market Pool Fund	Other		
<u>North Region Office Schools/Centers</u>										
0481	James H. Bright/J. W. Johnson Elementary	\$ 75,792.81	\$ 87,973.45	\$ 81,828.91	\$ 81,937.35	\$ 17,880.44	\$ 64,056.91	\$ -	\$ -	\$ 81,937.35
3861	North Glade Elementary	24,523.57	11,881.29	14,187.21	22,217.65	7,896.94	14,320.71	-	-	22,217.65
<u>Education Transformation Office (ETO) School/Center</u>										
7411	Miami Northwestern Senior	108,564.48	465,710.05	458,925.54	115,348.99	57,614.28	57,734.71	-	-	115,348.99
<u>Adult Education Center/Technical College</u>										
8005	Lindsey Hopkins Technical College	822,892.25	1,904,574.68	1,853,849.40	873,617.53	14,064.19	859,553.34	-	-	873,617.53
7202	Miami Beach Adult & Comm. Ed. Center	353,503.36	554,531.35	539,292.26	368,742.45	34,535.95	334,206.50	-	-	368,742.45
<u>Other Center</u>										
9723	The Greater Miami Athletic Conference (GMAC)	149,378.22	157,670.54	162,320.10	144,728.66	19,485.63	125,243.03	-	-	144,728.66
TOTALS		\$ 1,534,654.69	\$ 3,182,341.36	\$ 3,110,403.42	\$ 1,606,592.63	\$ 151,477.43	\$ 1,455,115.20	\$ -	\$ -	\$ 1,606,592.63

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

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>North Region Office Schools/Centers</u>									
2441	Virginia A. Boone/Highland Oaks Elementary	\$ 12,033.93	\$ 267,101.82	\$ 258,184.14	\$ 20,951.61	\$ 15,692.37	\$ 5,259.24	\$ -	\$ 20,951.61
0481	James H. Bright/J. W. Johnson Elementary	81,937.35	77,096.71	91,483.81	67,550.25	3,157.20	64,393.05	-	67,550.25
0561	W. J. Bryan Elementary	23,875.05	128,974.76	133,384.54	19,465.27	8,486.11	10,979.16	-	19,465.27
0641	Bunche Park Elementary	23,120.50	15,222.40	17,019.10	21,323.80	9,047.18	12,276.62	-	21,323.80
1161	Crestview Elementary	11,826.15	34,410.02	37,289.25	8,946.92	1,391.51	7,555.41	-	8,946.92
2241	Gratigny Elementary	12,662.00	21,571.19	21,415.96	12,817.23	4,213.37	8,603.86	-	12,817.23
2281	Greynolds Park Elementary	23,944.99	149,141.17	147,154.86	25,931.30	13,204.53	12,726.77	-	25,931.30
3141	Meadowlane Elementary	14,020.52	55,992.29	55,370.60	14,642.21	6,935.05	7,707.16	-	14,642.21

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
3861	North Glade Elementary	22,217.65	14,555.94	16,665.82	20,107.77	10,724.16	9,383.61	-	20,107.77
3901	North Hialeah Elementary	13,122.87	18,092.16	17,430.96	13,784.07	5,097.31	8,686.76	-	13,784.07
3941	North Miami Elementary	20,325.35	38,087.22	34,529.14	23,883.43	2,598.50	21,284.93	-	23,883.43
4021	Oak Grove Elementary	8,319.95	53,999.79	54,980.71	7,339.03	7,339.03	-	-	7,339.03
4061	Ojus Elementary	18,931.74	104,259.39	102,032.93	21,158.20	9,014.04	12,144.16	-	21,158.20
4541	Rainbow Park Elementary	13,430.37	37,081.09	39,272.06	11,239.40	9,792.31	1,447.09	-	11,239.40
5081	Skyway Elementary	11,946.06	18,318.40	19,152.59	11,111.87	3,797.00	7,314.87	-	11,111.87
5991	Charles D. Wyche, Jr. Elementary	14,081.86	132,672.94	130,100.87	16,653.93	2,751.01	13,902.92	-	16,653.93
5051	Ernest R Graham K-8 Academy	33,725.54	209,938.70	218,851.15	24,813.09	6,320.43	18,492.66	-	24,813.09
6023	Andover Middle	25,658.46	62,656.53	67,922.06	20,392.93	5,877.77	14,515.16	-	20,392.93
6281	Thomas Jefferson Middle	15,585.39	53,997.54	51,249.70	18,333.23	6,094.01	12,239.22	-	18,333.23

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6301	John F. Kennedy Middle	42,242.56	118,925.51	124,058.40	37,109.67	14,809.05	22,300.62	-	37,109.67
6541	Nautilus Middle	39,463.90	73,276.92	84,228.82	28,512.00	7,689.72	20,822.28	-	28,512.00
7049	Westland Hialeah Senior	108,674.45	430,559.95	405,627.57	133,606.83	10,056.66	123,550.17	-	133,606.83
<u>South Region Office Schools/Centers</u>									
0311	Goulds Elementary	13,143.11	10,419.99	11,334.63	12,228.47	4,593.80	7,634.67	-	12,228.47
3541	Robert R. Moton Elementary	11,542.90	14,053.85	11,913.50	13,683.25	5,314.85	8,368.40	-	13,683.25
6081	Cutler Bay Academy Of Advanced Studies, Centennial Campus	29,882.75	45,903.52	55,504.36	20,281.91	5,309.28	14,972.63	-	20,281.91
6901	W. R. Thomas Middle	35,409.19	224,415.78	221,803.34	38,021.63	17,880.65	20,140.98	-	38,021.63
<u>Education Transformation Office (ETO) School/Center</u>									
7411	Miami Northwestern Senior	115,348.99	445,298.35	441,455.71	119,191.63	21,035.37	98,156.26	-	119,191.63

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

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>Adult Education Center/Technical College</u>									
8005	Lindsey Hopkins Technical College	873,617.53	1,989,446.42	1,978,464.60	884,599.35	20,535.33	864,064.02	-	884,599.35
7202	Miami Beach Adult & Comm. Ed. Center	368,742.45	608,762.51	627,346.80	350,158.16	14,197.86	335,960.30	-	350,158.16
<u>Other Center</u>									
9723	The Greater Miami Athletic Conference (GMAC)	144,728.66	169,238.16	173,965.99	140,000.83	19,094.15	120,906.68	-	140,000.83
TOTALS		\$ 2,183,562.22	\$ 5,623,471.02	\$ 5,649,193.97	\$ 2,157,839.27	\$ 272,049.61	\$ 1,885,789.66	\$ -	\$ 2,157,839.27

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

AUDIT OPINION


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

Notwithstanding the conditions and findings reported herein, at all 30 schools/centers reported herein, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools/centers during the 2012-2013 and/or 2013-2014 fiscal year(s), on the cash basis of accounting, depending on the school audited.

As of June 30, 2013, for six of the 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$3,182,341.36 and \$3,110,403.42, respectively; while total combined cash and investments amounted to \$1,606,592.63 (Page 8). As of June 30, 2014, for all 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$5,623,471.02 and \$5,649,193.97, respectively; while total combined cash and investments amounted to \$2,157,839.27 (Pages 9-12).

Notwithstanding the conditions and findings reported herein, as of June 30, 2014, the internal control structure at all 30 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.

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



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

INTERNAL CONTROLS RATING

The internal controls rating of the four 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>							
James H. Bright/J. W. Johnson Elementary		✓			✓		Likely to impact.
North Glade Elementary		✓			✓		Likely to impact.
Westland Hialeah Senior		✓			✓		Likely to impact.
<u>Education Transformation Office (ETO) School/Center</u>							
Miami Northwestern Senior		✓			✓		Likely to impact.

INTERNAL CONTROLS RATING

The internal control ratings for the remaining 26 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>							
Virginia A. Boone/Highland Oaks Elementary	✓			✓			Not Likely to impact.
W. J. Bryan Elementary	✓			✓			Not Likely to impact.
Bunche Park Elementary	✓			✓			Not Likely to impact.
Crestview Elementary	✓			✓			Not Likely to impact.
Gratigny Elementary	✓			✓			Not Likely to impact.
Greynolds Park Elementary	✓			✓			Not Likely to impact.
Meadowlane Elementary	✓			✓			Not Likely to impact.
North Hialeah Elementary	✓			✓			Not Likely to impact.
North Miami Elementary	✓			✓			Not Likely to impact.
Oak Grove Elementary	✓			✓			Not Likely to impact.
Ojus 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	
Rainbow Park Elementary	✓			✓			Not Likely to impact.
Skyway Elementary	✓			✓			Not Likely to impact.
Charles D. Wyche, Jr. Elementary	✓			✓			Not Likely to impact.
Ernest R Graham K-8 Academy	✓			✓			Not Likely to impact.
Andover Middle	✓			✓			Not Likely to impact.
Thomas Jefferson Middle	✓			✓			Not Likely to impact.
John F. Kennedy Middle	✓			✓			Not Likely to impact.
Nautilus Middle	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Goulds Elementary	✓			✓			Not Likely to impact.
Robert R. Moton Elementary	✓			✓			Not Likely to impact.
Cutler Bay Academy Of Advanced Studies, Centennial Campus	✓			✓			Not Likely to impact.
W. R. Thomas Middle	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Adult Education Center/Technical College</u>							
Lindsey Hopkins Technical College	✓			✓			Not Likely to impact.
Miami Beach Adult & Community Education Center	✓			✓			Not Likely to impact.
<u>Other Center</u>							
The Greater Miami Athletic Conference (GMAC)	✓			✓			Not Likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
<u>North Region Office Schools/Centers</u>					
0481	James H. Bright/J. W. Johnson Elementary ^(a)	2	<ul style="list-style-type: none"> ▪ Bookkeeping ▪ Disbursements 	None	
3861	North Glade Elementary ^(b)	1	<ul style="list-style-type: none"> ▪ Payroll 	None	
7049	Westland Hialeah Senior	1	<ul style="list-style-type: none"> ▪ FTE Records and Procedures 	None	
<u>Education Transformation Office (ETO) School/Center</u>					
7411	Miami Northwestern Senior	7	<ul style="list-style-type: none"> ▪ Misappropriation Of Funds (Cheerleaders) ▪ Fundraisers/Student Activities ▪ Athletics ▪ Disbursements ▪ Grants ▪ Receipts/Deposits ▪ FTE Records and Procedures 	6	<ul style="list-style-type: none"> ▪ Yearbook ▪ Fundraisers/ Student Activities ▪ Disbursements ▪ Payroll ▪ P-Card ▪ Culinary Arts Program
TOTAL		11		6	

Notes:

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

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

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the remaining 26 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
<u>North Region Office Schools/Centers</u>					
2441	Virginia A. Boone/Highland Oaks Elementary	None		None	
0561	W. J. Bryan Elementary	None		None	
0641	Bunche Park Elementary	None		None	
1161	Crestview Elementary	None		None	
2241	Gratigny Elementary	None		None	
2281	Greynolds Park Elementary	None		None	
3141	Meadowlane Elementary	None		None	
3901	North Hialeah Elementary	None		None	
3941	North Miami Elementary	None		None	
4021	Oak Grove Elementary	None		None	
4061	Ojus Elementary	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
4541	Rainbow Park Elementary	None		None	
5081	Skyway Elementary	None		None	
5991	Charles D. Wyche, Jr. Elementary	None		None	
5051	Ernest R Graham K-8 Academy	None		None	
6023	Andover Middle	None		None	
6281	Thomas Jefferson Middle	None		None	
6301	John F. Kennedy Middle	None		None	
6541	Nautilus Middle	None		None	
<u>South Region Office Schools/Centers</u>					
0311	Goulds Elementary	None		None	
3541	Robert R. Moton Elementary	None		None	
6081	Cutler Bay Academy Of Advanced Studies, Centennial Campus	None		None	
6901	W. R. Thomas Middle	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total Per School	Area Of Findings	Total Per School	Area Of Findings
<u>Adult Education Center/Technical College</u>					
8005	Lindsey Hopkins Technical College	None		None	
7202	Miami Beach Adult & Community Education Center	None		None	
<u>Other Center</u>					
9723	The Greater Miami Athletic Conference (GMAC)	None		None	
TOTAL		None		None	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the four 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 when audit exception(s) happened**. Refer to *Notes* below for additional information:

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
0481	James H. Bright/J. W. Johnson Elementary ^(a)	Ms. Claudine Winsor	Ms. Maritza M. Garcia (Through June 2014; presently Principal at Cutler Bay Academy of Advanced Studies, Centennial Campus).
3861	North Glade Elementary ^{(a)(b)}	Mr. Raymond J. Sands	Dr. Thomas W. Frederick (Through June 2014; retired).
7049	Westland Hialeah Senior	Ms. Giovanna M. Blanco	N/A = No Change of Principal Since Prior Audit.
<u>Education Transformation Office (ETO) School/Center</u>			
7411	Miami Northwestern Senior	Mr. Wallace Aristide	N/A = No Change of Principal Since Prior Audit.

Notes:

(a) Change of Principal/Administrator at this school since Prior Audit (5 schools/centers).

(b) Finding happened under prior and current school administrations. For specific details, refer to individual school findings in this Report on pages 39-42.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the remaining 26 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>			
2441	Virginia A. Boone/Highland Oaks Elementary	Mr. Scott H. Saperstein	N/A = No Change of Principal Since Prior Audit.
0561	W. J. Bryan Elementary	Ms. Milagros L. Maytin	N/A = No Change of Principal Since Prior Audit.
0641	Bunche Park Elementary	Ms. Yesenia M. Aponte	N/A = No Change of Principal Since Prior Audit.
1161	Crestview Elementary	Ms. Sabrina J. Montilla	N/A = No Change of Principal Since Prior Audit.
2241	Gratigny Elementary	Dr. Aaron L. Enteen	N/A = No Change of Principal Since Prior Audit.
2281	Greynolds Park Elementary	Mr. Jorge Mazon	N/A = No Change of Principal Since Prior Audit.
3141	Meadowlane Elementary	Dr. Kevin P. Hart	N/A = No Change of Principal Since Prior Audit.
3901	North Hialeah Elementary	Ms. Yanelys Canales	N/A = No Change of Principal Since Prior Audit.
3941	North Miami Elementary	Ms. Debra L. Dubin	N/A = No Change of Principal Since Prior Audit.
4021	Oak Grove Elementary	Ms. Joyce R. Jones	N/A = No Change of Principal Since Prior Audit.
4061	Ojus Elementary	Dr. Marta M. Mejia	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Administrator at this school since Prior Audit (5 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
4541	Rainbow Park Elementary	Ms. Robin T. Armstrong	N/A = No Change of Principal Since Prior Audit.
5081	Skyway Elementary	Dr. Linda C. Whye	N/A = No Change of Principal Since Prior Audit.
5991	Charles D. Wyche, Jr. Elementary	Dr. Barbara L. Johnson	N/A = No Change of Principal Since Prior Audit.
5051	Ernest R Graham K-8 Academy	Ms. Mayra Alfaro	N/A = No Change of Principal Since Prior Audit.
6023	Andover Middle	Ms. Rennina L. Turner	N/A = No Change of Principal Since Prior Audit.
6281	Thomas Jefferson Middle	Ms. Robin Y. Atkins	N/A = No Change of Principal Since Prior Audit.
6301	John F. Kennedy Middle	Ms. Mary Parton	N/A = No Change of Principal Since Prior Audit.
6541	Nautilus Middle	Mr. Rene Bellmas	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Schools/Centers</u>			
0311	Goulds Elementary	Mr. Raul F. Garcia	N/A = No Change of Principal Since Prior Audit.
3541	Robert R. Moton Elementary	Mr. Eric L. Wright	N/A = No Change of Principal Since Prior Audit.
6081	Cutler Bay Academy Of Advanced Studies, Centennial Campus ^(a)	Ms. Maritza M. Garcia	Ms. Yamila M. Carballo (Through June 2014; presently Principal at The English Center).
6901	W. R. Thomas Middle ^(a)	Mr. Allen N. Breeding III	Ms. Lisa L. Pizzimenti (Through June 2014; presently Principal at the Center for International Education: <i>A Cambridge Associate School</i>).

Note:

(a) Change of Principal/Administrator at this school since Prior Audit (5 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>Adult Education Center/Technical College</u>			
8005	Lindsey Hopkins Technical College	Ms. Nyce Daniel	N/A = No Change of Principal Since Prior Audit.
7202	Miami Beach Adult & Community Education Center ^(a)	Ms. Judith A. Delgado	Ms. Shirley A. Velasco (Through April 2014; retired).
<u>Other Center</u>			
9723	The Greater Miami Athletic Conference (GMAC)	Ms. Cheryl Golden, Instructional Supervisor	N/A = No Change of Administrator Since Prior Audit.

Note:

(a) Change of Principal/Administrator at this school since Prior Audit (5 schools/centers).

PROPERTY SCHEDULES

The results of the property inventories of the 29 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>								
2441	Virginia A. Boone/Highland Oaks Elementary	100	\$ 189,364	-	-	-	-	-
0481	James H. Bright/J. W. Johnson Elementary	152	353,297	-	-	-	-	-
0561	W. J. Bryan Elementary	106	257,509	1	\$ 1,550	\$ 550	-	-
0641	Bunche Park Elementary	78	270,310	-	-	-	-	-
1161	Crestview Elementary	135	315,357	-	-	-	-	-
2241	Gratigny Elementary	133	371,559	-	-	-	-	-
2281	Greynolds Park Elementary	212	472,536	-	-	-	-	-
3141	Meadowlane Elementary	159	317,030	-	-	-	-	-
3861	North Glade Elementary	80	192,437	-	-	-	1	\$ 1,004
3901	North Hialeah Elementary	161	434,812	-	-	-	-	-
3941	North Miami Elementary	155	329,623	-	-	-	-	-
4021	Oak Grove Elementary	119	293,146	-	-	-	-	-
4061	Ojus Elementary	128	294,504	-	-	-	-	-

PROPERTY SCHEDULES

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		
4541	Rainbow Park Elementary	102	235,854	-	-	-	-	-
5081	Skyway Elementary	66	190,269	-	-	-	-	-
5991	Charles David Wyche, Jr. Elementary	107	209,416	-	-	-	-	-
5051	Ernest R Graham K-8 Academy	340	631,223	-	-	-	-	-
6023	Andover Middle	406	1,063,586	-	-	-	-	-
6281	Thomas Jefferson Middle	133	356,343	-	-	-	-	-
6301	John F. Kennedy Middle	735	1,194,161	-	-	-	-	-
6541	Nautilus Middle School	297	821,077	-	-	-	-	-
7049	Westland Hialeah Senior	368	1,339,358	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
0311	Goulds Elementary	121	352,097	-	-	-	-	-
3541	Robert R. Moton Elementary ^(a)							
6081	Cutler Bay Academy Of Advanced Studies, Centennial Campus	289	598,993	2	2,749	29	-	-
6901	W. R. Thomas Middle	262	634,191	-	-	-	-	-

Note:

(a) Property inventory not completed at time of publication. To be completed at a later date (1 school/center).

PROPERTY SCHEDULES

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>Education Transformation Office (ETO) School/Center</u>								
7411	Miami Northwestern Senior	714	2,419,392	-	-	-	-	-
<u>Adult Education/Technical College</u>								
8005	Lindsey Hopkins Technical College	779	2,587,290	-	-	-	-	-
7202	Miami Beach Adult & Community Education Center	100	187,198	-	-	-	-	-
<u>Other Center</u>								
9723	The Greater Miami Athletic Conference (GMAC)	35	125,166	-	-	-	-	-
TOTAL		6,572	\$17,037,098	3	\$ 4,299	\$ 579	1	\$ 1,004

PROPERTY SCHEDULES

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	CATEGORY (AT COST)	Total Depreciated Value
					Other ^(b)	
0481	James H. Bright/J. W. Johnson Elementary	1	1	\$ 1,250	\$ 1,250	\$ 389
2241	Gratigny Elementary	1	1	1,100	1,100	841
TOTAL		2	2	\$ 2,350	\$ 2,350	\$ 1,230

Note:

(b) "Other" Equipment consists of custodial equipment (two pressure cleaners).

FINDINGS AND RECOMMENDATIONS

1. Inadequate Controls Over The Bookkeeping Function Led To Various Account Mispostings And Non-Compliance With Internal Funds Policy

James H. Bright/J. W. Johnson Elementary

We initially visited the school to conduct the 2012-2013 fiscal year audit; however, because of discrepancies noted during our initial visit, we extended the audit to the 2013-2014 fiscal year audit. Our reviews disclosed many instances where transactions were posted to the incorrect accounts, as well as instances where the school was not in compliance with some of the requirements associated with the internal funds of the school. Specifically, non-compliant matters related to check writing procedures, and mispostings in the collections/disbursements associated with the rental of parking facilities, field trips and grants. Details follow:

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* establishes that an internal funds' check *made payable to an employee who is also an authorized signer on the internal funds checking account must be signed by the authorized signers other than himself/herself.*

- 1.1. At this school, there is a designee for the Principal and the clerical staff member responsible for writing the checks. However, our review of the bank reconciliations, cancelled checks and check requisitions for both the 2012-2013 and 2013-2014 fiscal years up to August 2014 disclosed 25 instances *where the payee was also the authorized check signer.* The total amount of these disbursements was approximately \$2,140. Most of the payments were reimbursements to the former Principal or the current Bookkeeper for what appeared to be proper purchases for a school setting.

Section V, Chapter 1 of the *Manual of Internal Fund Accounting* establishes the guidelines for the posting of transactions to the automated system related to the checking account. These transactions relate to the recording of interest, bank charges/credits, and similar transactions associated with the checking account. Furthermore, Section II, Chapters 2 and 7 of the *Manual* provide the guidelines for the collection of money and the posting of corrections to the automated system, respectively.

- 1.2. Review of account activity disclosed three instances of delays in the posting of the school's checking account interest. Delays ranged up to one month. In addition, a review of receipts and deposits corresponding to the 2012-2013 fiscal year disclosed several instances where collections were posted to the incorrect accounts. The total amount of identified mispostings was approximately \$2,400. Most corrections were made at the request of the auditor during the second visit corresponding to the audit of the 2013-2014 fiscal year.

The school has a School-Board authorized *Joint-Use Agreement* with a private company for the use of their parking facility, under which the company pays the school a monthly rental fee. As authorized by the School Board, 60% of the rental income received is recorded in the Trust Fund-Rental Facilities account of the school, while 40% remains at the District.

- 1.3. Our review of the Trust-Special Purpose account disclosed that the school had receipted three separate collections totaling \$4,000 during the 2012-2013 and 2013-2014 fiscal years. According to the school, these were donations; however, we found they represented payments from the same private company for the use of the parking facility for days *in addition to those authorized in the Joint-Use Agreement with the school*. We also found that the school did not contact the District's Facilities Department regarding the additional use. According to the District's Facilities Department, this matter should have been handled by the Department and not the school; and a *Temporary Use Agreement* should have been executed with the private company to calculate and collect the additional rental fees.

Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* establishes the policies and procedures for conducting field trip activities. One of the requirements is that the amount collected from the students must only include actual expenses of the trip. Students shall not be denied the privilege of participating because of financial need. However, in those instances where participation is allowed on a complimentary basis, a list of participants must be filed for audit purposes. Additionally, the recording of transactions must be made in the accounts in a manner that is clear and that provides an accounting of each field trip *separately*.

- 1.4. Field trips tested in 2012-2013 amounted to approximately \$3,050, while those tested in 2013-2014 amounted to approximately \$9,000. A review of field trip activities and related accounts for both fiscal years disclosed several instances where collections from several field trips were commingled in the same account. For some of the field trips, we found that monies collected from the students exceeded the cost of the field trip, and students were not refunded for the overcharge. Instead, the excess was used *to offset the cost of another field trip*. For some of the field trips tested, partial payments were collected from students and chaperones on different dates; however, not all collection rosters were

evident; and those provided were either incomplete and/or inaccurate. In addition, a complimentary list was not on file to document participants that did not pay, and not all the associated field trip request forms were on file.

Section IV, Chapter 14 of the *Manual of Internal Fund Accounting* establishes the procedures for receiving and expending grants. One of the requirements is that grants be used for the intended purpose, within the agreed-upon deadlines; and any deviations from the proposed expenditures as delineated in the grant's original budget document must be approved in writing from the grantor before the expenditure is made.

- 1.5. During the 2012-2013 fiscal year, the school received a grant of \$10,000 for a fruit and vegetable garden. The grant had a detailed budget which delineated how funds were to be spent. However, not all funds were utilized in accordance with the grant's established budget and the school did not receive written authorization from the grantor to deviate from the initial plan. Specifically, in 2013-2014, we noted that one of the line items for events/meetings was exceeded by \$430, and the school posted to this account a \$413 disbursement for the purchase of exercise equipment which *was not part of the purpose of the grant*. In addition, during the 2013-2014 fiscal year, the school received another grant of \$1,000 for the purchase of physical education equipment and activities for student exercise programs; *however, a disbursement totaling \$172 related to the maintenance of the garden mentioned above was posted to this account*.

RECOMMENDATIONS

- 1.1. **Review bookkeeping procedures and the proper signing of checks with the Bookkeeper to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing transactions and documenting disbursements.**
- 1.2. **Direct the Bookkeeper to post the transactions in a timely manner and discuss any adjusting entries during the month-end account reconciliation to ensure they are timely posted going forward.**
- 1.3. **Request assistance from the Division of Internal Fund Accounting in the Office of the Controller if additional training on the posting of transactions is required.**
- 1.4. **Contact Facilities Operations in the Budget Department regarding the process for parking facility rental for understanding and awareness of the requirements. In the future, all rental of parking facilities should be handled by the District.**

- 1.5. **Discuss with the Bookkeeper the procedures for accounting for field trips. Going forward, strengthen monitoring over the field trip accounts and ensure that students are charged as close to cost as possible. Periodically, meet with the sponsor of the field trip and the Bookkeeper to review the accounting for the individual field trips, discuss/correct any possible mispostings in a timely fashion, and ensure that all ancillary field trip forms are filed.**
- 1.6. **Going forward, the new school administration should ensure that grants are spent as intended; and should request written approval from the grantors in advance if changes to the initial grant budgets are foreseen.**

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

Management Response:

The Principal reviewed bookkeeping procedures outlined in the Manual of the Internal Fund Accounting with the Bookkeeper and Assistant Principals to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing transactions.

The Principal instructed the Bookkeeper to post all transactions in a timely manner. Additionally, the Principal instructed the Bookkeeper to schedule a meeting with her during the month-end account reconciliation to review and discuss any entry adjustments to ensure they are posted in a timely manner.

The Bookkeeper was directed to request assistance from the business manager in the Division of Internal Funds Accounting for additional guidance regarding the posting of transactions. This Principal will carefully review all postings of checks and bank interest on a bi-weekly basis to ensure that all postings are performed correctly and in a timely manner.

Regarding the signing of checks, the Principal will ensure that the school checks issued to any of the check signers are appropriately signed by the corresponding check signer's designee. The Principal will also ensure that if a third party contacts the school to request use of the parking facilities staff will contact Facilities Operations in the Budget Department to ensure that all school facility rentals have been handled by the District.

Furthermore, the Principal will review with the Bookkeeper and Assistant Principals all procedures for accounting for field trips as outlined in the Manual of the Internal Fund Accounting.

At the time of each field trip, the Principal will review all field trip forms, student rosters and complimentary tickets to ensure that students are charged, as close as possible, to the cost of the field trip and that any possible mispostings are corrected in a timely fashion.

The Principal will work cohesively with the Bookkeeper to ensure that all supporting field trip documents are kept on file for each corresponding field trip in the main office.

In addition, the Principal will work closely with the Bookkeeper and Assistant Principals to ensure that all grants are spent as intended, paying close attention to program and project expenses. If, for any reason, changes in the initial grant budget are foreseen, a request for written approval from the grantors will be made in advance.

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

Management Response:

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

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

Furthermore, the Principal has been instructed to meet with the Bookkeeper to review procedures for accounting for field trips to ensure that all grants are spend as intended paying close attention to the program and project expenses.

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

Management Response:

- Review reports submitted by the Region Office Financial/Business Operations Director on mini-reviews conducted in selected areas of Payroll, ELL Student Records and Internal Funds. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and

- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Principals' Summer Institute Professional Development.
- School Operations in collaboration with the Office of the Controller will continue to provide monthly Internal Fund Training for treasurers and bookkeepers.

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

**2. Inadequate Controls
Over Disbursements
James H. Bright/J. W. Johnson Elementary**

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 vendor 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 disbursement documentation to show that the lowest quote was selected. In addition, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that all disbursements be properly supported with an original invoice or equivalent documentation provided by the vendor, and that the invoice supporting the disbursement include the signature of the employee responsible for receiving the goods/services to certify receipt and indicate that the invoice is ready for payment.

Regarding the timing for issuing payments to vendors, the *Manual* also requires that any arrangements with the vendors to make payment past 30 days of receipt of goods/services must be included in the records as support.

Our review of a sample of disbursements from the 2012-2013, 2013-2014 and 2014-2015 fiscal years up to September 2014 disclosed several discrepancies. Details are as follows:

- 2.1. In five instances, individual purchases over \$1,000 were made and three documented vendor quotations (including one from a certified minority enterprise) were not on file to show the vendor selection and whether the lowest quote had been selected. Items procured included fees for garden maintenance, out-of-county field trip, toner and paint.
- 2.2. In three instances, disbursements were supported with a faxed copy instead of an original invoice. For one of these disbursements, the services were never provided and the check was subsequently voided. For another disbursement corresponding to three invoices totaling \$323, the payment was made more than 30 days after the date of the invoices; and arrangements with the vendor to pay on a different schedule were not documented in the files. The most significant delay in payment was approximately seven months.

RECOMMENDATIONS

- 2.1. **The school administration should discuss the internal fund disbursement guidelines with staff for awareness and understanding of the requirements; and should strengthen the review over disbursements to ensure compliance with District Policy.**

- 2.2. The school administration should direct staff to ensure that original invoices are obtained and filed and payments made in a timely manner.
- 2.3. The school administration should enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotation, *one of which should be from a certified minority enterprise*; and 2) the lowest quotation is selected.

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

Management Response:

The Principal reviewed the Manual of Internal Fund Accounting with the Assistant Principals, Bookkeeper, and Secretaries, to heighten the awareness and understanding of the requirements to ensure compliance with District policy. The Principal will strengthen oversight over the disbursement function to ensure that original invoices are obtained, properly signed, filed and payments are processed in a timely manner. In addition, the Principal will monitor internal funds disbursements on a bi-weekly basis to ensure that all expenditures over \$1,000.00 are properly documented with three written bids, including one which will be from a certified minority vendor and the lowest quote is selected.

Person(s) Responsible: North Region Office Administration

Management Response:

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

In addition, the Principal has been instructed to meet with the Secretary/Treasurer/Bookkeeper on a regular basis to review and ensure that original invoices are obtained, filed and payments are processed in a timely manner. Furthermore, the Principal will monitor internal funds disbursements on a bi-weekly basis to ensure that all invoices are original, properly signed and that all expenditures over \$1,000.00 are properly documented with three written bids, one being from a certified minority vendor, and the lowest quote is selected.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to pages 34-35 of this report and page 97 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of James H. Bright/J. W. Johnson Elementary School.

3. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll *North Glade Elementary*

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

General payroll procedures require that part-time and full-time employees reflect their attendance in the attendance rosters by noting their initials (full-time) or the time in/out (part-time). Regarding the documenting and approving of leave, full-time employees must complete leave cards to support the leave taken; and the leave cards must be signed by the employee and an administrator.

In reference to full-time employees eligible to receive payment when a holiday/recess day/period takes place, an employee must be in *active* pay status (i.e., present, sick, personal, vacation, etc.) for *at least* one day in the ten-day period *preceding* the holiday/recess, and for *at least* one day in the ten-day period *following* the holiday/recess day/period.

In addition, payroll procedures delineate the requirements for completing the *Temporary Instructors (Pool & Emergency Substitutes) & Paraprofessional Substitutes Daily Payroll Attendance Sheets* [FM-7090]. According to the instructions, temporary instructors are required to sign in/out on a daily basis in the attendance roster. In addition, payroll procedures limit the hiring of temporary instructors (substitutes) to seven or eight days of full-time work per pay period, depending on the school.

This school has a payroll consisting of approximately 14 non-instructional staff members including the administration, 30 instructional staff members and 14 part-timers. Our review of three consecutive payrolls processed in late April, May and June 2014 under the tenure of the former school administration disclosed a total of 54 instances of payroll discrepancies for full-time employees and 18 for part-time employees. We extended our review to a recent payroll processed under the current school administration *and noted a significant improvement in the recording, reporting and documenting of payroll, especially the completion of leave cards; however, we still noted a few errors that required payroll corrections and some leave cards that were not properly completed.* Most errors detailed below corresponded to the initial review:

- 3.1. In 46 instances, leave cards for sick, personal or authorized leave without pay were incomplete or not filed with the records. Regarding the incomplete cards, in
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many of these instances, the cards did not include the day(s) in question, the type of leave taken, or listed the wrong date. Consequently, this made it very difficult to determine whether the correct type of leave was reported for several of the employees.

- 3.2. In 24 instances, there were various discrepancies between the payroll reported for full-time employees and the documentation supporting the payroll. Specifically, four represented personal or sick leave taken by the employee that was not reported in the Final Payroll Roster. One other instance corresponded to an employee on leave for an extended period³ who received payment for a holiday for which the employee was not entitled to receive according to the employee's pay status. In two other instances, a substitute worked a day at this school and did not receive payment. In seven other instances, either the employee received payment for a day when his/her attendance was not reflected on the Daily Payroll Attendance Sheets; or the employee had indicated his/her presence on the attendance sheets on a given day for which certain type of leave had been reported for the employee; however, the corresponding leave card was not properly completed or was not on file. In ten other instances, sick leave was reported in the Final Rosters when the Daily Payroll Attendance Sheets and/or the leave cards indicated personal leave or vice versa.

Work locations may grant compensatory time instead of paid overtime; however, compensatory time must be authorized pursuant to terms allowed under the corresponding employee's collective bargaining agreement.

- 3.3. We noted one instance where an employee that was not entitled to receive compensatory time (according to the employee's bargaining unit) was reported present two work days using time accrued as compensatory. There was a compensatory time log on file showing the accrual and the usage.

When the payroll is anticipated due to a holiday/recess (regarded as an "anticipated" payroll), the rules require work locations to anticipate, as accurately as possible, the time to be worked for full-time employees; and to report only **actual** hours worked for the pay period for certain part-time employees and substitutes. In the case of part-time employees, after the pay period ends, the work location must process a payroll correction for the corresponding pay period in order to report the remaining (unreported) hours worked during the anticipated period.

- 3.4. Regarding part-time staff, in the case of an "anticipated" payroll selected for review, we noted that the payroll clerk did not process individual payroll corrections to report the remaining (unreported) hours worked by part-time employees during the anticipated period. Instead, she added the remaining

³ The employee was on inactive status since May 6; and the holiday was on May 26.

(unreported) hours to the hours actually worked when she processed the following pay period; thus causing discrepancies between the total hours reported and those reflected on the Daily Payroll Attendance Sheets for the payroll succeeding the anticipated payroll. This created some errors which also required payroll corrections.

RECOMMENDATIONS

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

- 3.1. Review with staff the recording of attendance on the Daily Payroll Attendance Sheets and the completion of leave cards to ensure that payroll records are properly completed.**
- 3.2. Ensure that compensatory time is allowed for employees according to their bargaining units.**
- 3.3. Direct staff to ensure the number of days that temporary substitutes can work in a given pay period to prevent hiring in excess of the guidelines.**
- 3.4. Direct the payroll clerk to file all leave cards with the records and to document leave on the Daily Payroll Attendance Sheets to match the leave on the leave cards and Final Rosters.**
- 3.5. Direct the payroll clerk to process payroll corrections for part-time employees pursuant to the guidelines and to file any payroll corrections with the payroll records.**
- 3.6. Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.**

Person(s) Responsible:

Principal and Payroll Clerk

Management Response:

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

The Principal and Payroll Clerk are monitoring the Daily Attendance Sign-In Rosters on a regular basis and reviewing leave cards to ensure that payroll records are properly completed. In addition, the Payroll Clerk is filing the leave cards and ensuring the cards match the leave reflected in the Daily Payroll Attendance Sheets and Final Rosters.

The Principal is ensuring that compensatory time procedures are followed for employees according to their bargaining units. The Principal ensured a payroll correction was completed for the two days of compensatory time improperly reported for an employee. In addition, the Principal is directing the Payroll Clerk and Sub Locator to ensure that the local hiring of temporary instructors/substitutes does not exceed the maximum number of days in a pay period that is allowed for temporary instructors/substitutes under current payroll guidelines.

The Principal has reviewed procedures with the Payroll Clerk on processing payroll corrections for part-time employees pursuant to guidelines and will ensure the payroll corrections are filed with the payroll records.

The Principal will continue to review and strengthen overall payroll procedures to ensure the accuracy, completeness and propriety of the payroll reported.

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

Management Response:

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

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

Furthermore, the Principal has been instructed to review procedures for compensatory time, payroll corrections and temporary instructors/substitutes.

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

Management Response:

Refer to pages 34-35 of this report and page 97 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.

**4. School Non-Compliant With
FTE Student Records
(ESOL And On-The-Job
Training Areas) Resulted In
Potential FTE Funding
Disallowances
*Westland Hialeah Senior***

For the 2013-2014 school year, guidelines and procedures for maintaining ELL student information were provided through the 2013-2014 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and the *Home Language Survey* [FM-5196] must be properly completed and filed in the ESOL Program Record Folder. Also, the CELLA test score report must be included in the LEP folder.

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

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

Our review of a sample of FTE records in 2013-2014 found several discrepancies in the ESOL and *On-the-Job (OJT)* areas. Based on our samples, the errors could have generated a combined funding disallowance to the District totaling approximately \$8,240. Details are as follows:

Result Of Review Of ESOL Records

During the February 2014 FTE Survey⁴ records, the school reported 592 students enrolled in the ESOL program. A review of a sample of 40 ELL student folders disclosed the following discrepancies in 36 student folders sampled (90%). The sample's high error rate requires immediate attention of the school administration for corrective action:

- 4.1. In 31 instances, the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6576] was not evident in the student folders.
- 4.2. In 32 instances, the printout of the student schedule was dated *subsequent* to the FTE survey period. For two other students, the schedule was not evident.
- 4.3. In eight instances, the folder did not have documentary evidence that a LEP Committee meeting had convened to consider a student's extended placement in the ESOL program.
- 4.4. In three instances, the Individual ELL/LEP Student Plans [FM-4650] were not evident in the student folder.
- 4.5. In two instances, there was no evidence of the 2013 CELLA (Florida Comprehensive English Language Learning Assessment) test report in the student file. In another instance, a student was not assessed upon re-entering the school district.
- 4.6. In one instance, the *Home Language Survey* [FM-5196] was not dated.

Result Of Review Of On-the-Job (OJT) Records

All cooperative education students must be scheduled for one period of job related instruction and a minimum of one period of On-the-Job (OJT) training during the day. Certain forms are required to document the student's job search and working efforts. Attendance for the OJT period(s) will be reported on the *Job Training Attendance Records* [FM-5248]; otherwise referred to as the student's Time Card. One of the requirements for completing this form is that it must be signed by the teacher and student. In addition, it is the teacher's responsibility to ensure the proper completion and submittal to the FTE designee at each school.

Students enrolled in a cooperative education program must work a minimum average of 15 hours per week (within the grading period) with the majority of the employment during the school week. In case of an unemployed student seeking work, the Job Search Record [FM-5888] must be completed and filed.

⁴ FTE Survey in February is otherwise referred to as FTE Survey Period 3.

Our review of ten OJT records disclosed that:

- 4.7. In three instances, the student was not employed and a *Job Search Record* was not evident.
- 4.8. In one instance, the hours reported for the student were less than the required minimum of 15 hours per week.

RECOMMENDATIONS

- 4.1. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 4.2. **The Principal should discuss OJT procedures with staff overseeing the OJT Program should ensure that all OJT-related forms are properly completed, signed and filed in the student folders.**

Person(s) Responsible:

**Principal, Assistant Principal,
Registrar, ELL and OJT Staff**

Management Response:

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

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

The Principal will regularly monitor the proper and timely completion and filing of all documents in the ESOL Program Record folder, inclusive of the Individual ELL/LEP Student Plan (FM-4650) (WLEP); the printout of the students' schedules from the Integrated Student Information System (ISIS); the Home Language Survey (FM-5196); the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* (FM-6576); CELLA test scores; and evidence of the convening of LEP Committees for students enrolled in the ESOL Program for six semesters or more to ensure that all information is accurate and complete.

In addition, the Principal has met with the Assistant Principal and OJT staff to review the requirements of students enrolled in the OJT program to ensure understanding and responsibilities regarding the maintenance of OJT Student Records.

The Principal will work with the Assistant Principal and OJT Staff to ensure that students that are not employed will complete a Job Search Record and documents will be kept with all OJT files. Also, attendance for the OJT period will be reported on the Job Training Attendance Records (FM-5248). A student whose time cards does not reflect a minimum of 15 hours worked will be withdrawn from the OJT program and will be enrolled in Guided Workplace until they are able to work the minimum 15 hours. Compliance with all OJT requirements will also be monitored by the Principal on a periodic basis.

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

Management Response:

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal was instructed to thoroughly review the Division of Bilingual Education and World Languages Memoranda and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the Registrar. The Principal was also instructed to thoroughly review with affected staff the requirements of students enrolled in the On-the-Job-Training (OJT) Program in regards to the maintenance of OJT Student Records.

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

The Principal has been instructed to monitor the proper and timely completion of all records on a regular basis in the OJT Program to ensure that attendance is reported and that students are working the minimum required hours.

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

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to pages 34-35 of this report and page 97 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Westland Hialeah Senior High School.

5. Financial Activity In Cheerleaders' Accounts For The 2012-2013 And 2013-2014 Fiscal Years Disclosed A Misappropriation Of Funds By Former Cheerleading Sponsor Miami Northwestern Senior

At the request of ETO (Education Transformation Office) administration, on March 12, 2014, we conducted a review of the financial activity and records associated with this school's cheerleading activities for the 2012-2013 and 2013-2014 fiscal years up to March 2014. According to ETO administration, they harbored concerns that several invoices dated between September 2012 and January 2014, issued by the same vendor and related to these cheerleading activities may not have been paid. Furthermore, based on the records presented, it appeared that the former assistant principal overseeing the school's financial activities had approved the largest of the purchases in question; however, the former assistant principal contended that the signature on the vendor's Customer Payment Form⁵ directly related to this large purchase was a forgery. ETO administration requested our immediate assistance since the former sponsor of the Cheerleader squads (who was responsible for the collection/disbursement of these funds) had submitted her resignation effective May 2, 2014.

- 5.1. Our review of the financial records associated with the Cheerleaders activities for the time period stated above identified a shortfall of approximately \$8,400. The collections in question, made between April 2012 and October 2012 were intended to pay for the purchase of cheerleading uniforms and participation in cheerleading summer training camps.

On April 21, 2014, we interviewed the former sponsor regarding the discrepancies. During the interview, the former sponsor admitted to "borrowing" \$5,000 from the collections because of personal financial need, and provided a written confession stating this fact and her willingness to retribute the "borrowed" funds. We immediately referred this matter to MDCPS Police and the State Attorney's Office (SAO). As of the present time, this case is set for trial.

- 5.2. Of the six invoices originally presented to us by ETO administration totaling approximately \$21,840, we confirmed with the vendor that only *one invoice for uniforms dating back to September 2012 had not been fully paid. The unpaid balance was \$14,200. As of the completion of the audit fieldwork, the school paid \$6,056 toward this outstanding balance and the vendor gave credit for the remainder, or \$8,144 in order to liquidate the debt.*

⁵ The vendor accepted a Customer Payment Form signed by the sponsor and an administrator in lieu of a purchase order to process the order and issue the invoice/release merchandise.

- 5.3. Regarding the matter of the former Assistant Principal's signature on the vendor's Customer Payment Form, the former sponsor stated during the interview that the former Assistant Principal had signed the document. Unfortunately, conflicting information from the parties involved and insufficient audit evidence regarding the authenticity/forgery of the signature precluded us from drawing a firm conclusion on this specific matter and *referred this part of the allegation to MDCPS Police for further consideration.*

Details of our findings regarding the monetary shortfall follow:

According to our analysis of the cheerleaders' accounts, the school should have collected \$49,940 as of mid-October 2012. This total is based on the total fees that should have been collected from the cheerleaders and ancillary activities⁶. However, collections posted to the cheerleaders' accounts amounted to only \$37,273, for an unfavorable difference of \$12,667. Of the \$12,667, the school listed \$4,254 as student financial obligations, which represented fees that some of the cheerleaders did not pay for merchandise received, as noted in the records of the school treasurer. However, this outstanding student debt would only account for a portion of the unfavorable difference, thus leaving \$8,413 unaccounted for. During our interview, we sought clarification from the former sponsor as to how she collected and receipted monies from the students⁷. Regarding monies collected from the cheerleaders, the sponsor stated that she would issue receipts from an official receipt book (that was issued to her by the school to receipt said collections); however, *the former sponsor would also issue receipts from a receipt book purchased from a store. This receipt book was not part of the official inventory of receipt books of the school.* We noted that total "unofficial receipts" identified as "Cheerleader Uniform/Cheerleader Camp" collections amounted to \$4,895. *These funds, which were part of the \$8,413 unaccounted for, could not be traced to the school's accounts.*

RECOMMENDATIONS

- 5.1. Ensure that staff understands and adheres to the process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4 and Section IV, Chapter 2 of the *Manual of Internal Fund Accounting*.**

⁶ The school assessed individual fees to the cheerleaders to be able to purchase cheerleader and training camp uniforms, uniform accessories, and to participate in cheerleading training camps during the summer. We identified a total of 38 cheerleaders that participated in the cheerleader squads: 21 varsity and 17 junior varsity squad cheerleaders. According to school records, and as corroborated by the activity sponsor, junior varsity and varsity cheerleaders were assessed fees of \$1,225 and \$1,248, respectively.

⁷ Pursuant to guidelines in Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, and regarding this type of pre-sale activity, schools are required to use official receipts [FM-0976], otherwise referred to as BPI receipts, to receipt collections. BPI receipt books are inventoried by the school and are audited every year.

- 5.2. Enforce with staff and advise vendors of the practice that no orders of goods/merchandise/services shall be placed with vendors *without a duly approved purchase order and a contact name. Also, funds must be available in the corresponding account(s) to cover the expenditure(s).*
- 5.3. Discuss with staff that any orders not approved by the school administration may result in the staff member having to pay for the merchandise from his/her funds.
- 5.4. Direct sponsors to utilize official receipts only, otherwise referred to as BPI receipts, to receipt collections from students as required by Section II, Chapter 2 of the *Manual of Internal Fund Accounting*; and direct the Treasurer to alert the school administration of any instances brought to the attention of the Treasurer where sponsors are not utilizing official receipts [FM-0976], to receipt collections.

Person(s) Responsible: **Principal,
Assistant Principal Overseeing Financial Activities
And Treasurer**

Management Response:

In order to ensure proper procedures are followed the Principal met with all the sponsors/coaches, Activities Director, Athletic Director, Treasurer and Assistant Principal(s) over Activities and Athletics to review the Manual of Internal Fund Accounting.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: At the beginning of each school year sponsors/coaches will be formally trained in the policies and procedures for Miami Dade County Public Schools Internal Funds Accounting. Staff will be apprised of updates monthly. Reviews of Internal Funds Accounting will also be conducted semi-annually. The Principal, Assistant Principal, Activities Director and Treasurer will review check requisitions, bids, funds availability and other required documents (prior to signage) for accuracy/completeness on a weekly basis. Vendors will be notified that invoices will only be paid with an approved purchase order number. Staff will be notified that purchases made without prior administrative approval will result in staff incurring the cost of the expenditure. A meeting was held with the Treasurer, wherein she was informed to immediately alert Administration of any/all failures to utilize official receipts or receipt collections of students.

Person(s) Responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director will direct the Principal to review the Manual of Internal Fund Accounting, with focus on Section II, Chapter 4 and Section IV, Chapter 2 with the Treasurer, Staff and Sponsors. The Principal has been instructed to hold a follow up meeting with sponsors at the beginning of each school year, to outline and review fundraising document procedures.

The Principal has been directed to hold monthly review meetings with the Treasurer to monitor fundraising activities and ensure compliance of policies and guidelines.

6. Inadequate Controls Over Fundraising/Student Activities Resulted In Losses And Discrepancies
Miami Northwestern Senior

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* establishes the procedures for conducting fundraising activities.

Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Also, the school must maintain a Fundraising Activities Log [FM-6672] to record all fundraising activities approved by the administration and conducted by the school. Fundraising merchandise given away as complimentary must be properly documented with signatures or appropriate documentation. Losses from activities must also be properly accounted for on Certificates of Loss reports. This documentation is to remain on file at the school for audit purposes.

Similar conditions were cited in the prior audit regarding fundraising/student activities. Although some improvement was noted in this area during this audit, some conditions remained unchanged. These require the attention of the school administration for corrective action.

During the 2013-2014 fiscal year, the school conducted approximately 30 fundraising activities. Our follow-up to the prior audit's findings in this area consisted of the review of a sample of six fundraising activities and two field trips conducted during the 2013-2014 fiscal year. Our review disclosed the following discrepancies:

- 6.1. Similar to the prior audit, we continued to note shortfalls in four of the eight activities tested. Specifically, there was a \$225 shortfall between potential revenues and collections deposited and posted to the Homecoming account. There was a \$420 shortfall between potential revenues and collections deposited and posted to the Class of 2014 for a sale of jerseys. In addition, the Class of 2014 held a sweat suit sale. We noted that 70 sweat suits were purchased. According to the Treasurer, the sweat suits were sold as a set for \$40. However, not all items were sold and the inventory on hand consisted of 14 sweat shirts and only 6 sweat pants. Eight sweat pants were not accounted for and a Certificate of Loss report was not filed. Lastly, there was a \$375 shortfall between potential revenues and collections deposited and posted to an out-of-county field trip account.
- 6.2. Ancillary documentation for some of the fundraising activities was incomplete or incorrectly prepared. Specifically, the Application for Fundraising Activity for the sale of sweat suits was not evident, the corresponding Student Activity Operating Report was not signed by the Principal and the Treasurer, and the report contained errors. In addition, signed complimentary lists for two of the activities tested were not filed and one of the complimentary lists was not signed

by the sponsor.

- 6.3. For one of the field trips tested, there was a discrepancy of \$9 between the price charged to students (\$75) and the price approved by the Education Transformation Office administration on the corresponding Field Trip Request Packet [FM-2431] (\$66). The reason for the change was not documented in the school files.

RECOMMENDATIONS

We *again* provide the following recommendations:

- 6.1. **Similar to the previous finding, review the procedures with sponsors and affected staff in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* to ensure awareness and understanding of the requirements for conducting fundraising activities.**
- 6.2. **Strengthen the overall monitoring/review of the individual fundraising activity to ensure that discrepancies are *promptly identified and resolved*.**
- 6.3. **Ensure that students are charged according to amounts listed in the official fundraising/field trip records. Any subsequent changes to amounts charged to students should have the approval of the appropriate District Office on file and reasons for the change properly documented/approved.**
- 6.4. **Items given away as complimentary must be documented to provide a clear accountability of the activity.**

Person(s) Responsible: **Principal,
Assistant Principal Overseeing Financial Activities,
Activities Director And Treasurer**

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer to review the Manual of Internal Fund Accounting.

The Principal met with the Activities Director, Treasurer and Assistant Principal to review the Manual of Internal Fund Accounting delineating specific instructions for fundraising and student activities. The process for safeguarding internal funds records has been reviewed with a newly established system of controls and measures being adopted.

To ensure staff compliance with Internal Funds policies and procedures, the following steps will be taken: Persons responsible will review procedures in Section IV, Chapter 2 of the Manual of Internal Fund Accounting. During the review, every intention will be made to make sponsors aware of all requirements for conducting fundraising activities. Persons responsible will monitor/review individual fundraising activity to ensure that discrepancies are promptly identified and resolved. Administration will certify that students are charged according to amounts listed in the official fundraising/field trip records. Any subsequent changes to amounts charged to students will have the approval of the appropriate District Office. Changes will be properly documented and on file. Persons responsible will ensure all complimentary items are properly documented.

Person(s) Responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director will direct the Principal to review the Manual of Internal Fund Accounting with Sponsors and the Treasurer to ensure compliance throughout the school year.

The Education Transformation Office Administrative Director will collaborate with the Principal to seek assistance from the Division of Internal Fund Accounting to provide necessary training for designated staff.

7. Inadequate Oversight Over Account Balances Resulted In A Large Year-End Deficit In The Athletics Fund And Other Athletic-Related Accounts
Miami Northwestern Senior

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

Our review of the Athletics Fund disclosed the following:

- 7.1. At June 30, 2014, the Athletics Fund had closed the year with a deficit balance of (\$15,814). We also noted that the General Fund-Vending Commissions account held approximately \$9,800 at year-end; and funds from this account, although not sufficient to fully cover the shortfall, could have been transferred to the Athletics Fund to cover part of the deficit.

We extended our review of the Athletics Fund to the 2014-2015 fiscal year and found that, as of September 30, 2014, the deficit had significantly increased to \$(32,033). Of this total, approximately \$19,800 consisted of open purchase orders.

In both instances noted above, the school's checking account did not incur a deficit since it held additional funds from other accounts in the internal funds of the school.

- 7.2. Our review of the athletic ticket inventory and game reports for the 2013-2014 fiscal year disclosed that net game proceeds from an opponent senior high school totaling \$661 was owed to this school; however, funds had not been received and staff had not followed up accordingly. *At the request of the auditor, the opponent school was contacted to inquire about the status of the pending remittance. A similar condition was discussed with the school administration during the prior audit.*

According to Section III, Chapter 4 of the *Manual of Internal Fund Accounting*, with the exception of accounts where advances for change and/or petty cash are recorded, *no other accounts in this Fund may be overdrawn*. Exceptions that occur inadvertently must be corrected immediately by deposits or transfers from other accounts as allowed by District policy.

- 7.3. Other accounts related to Athletics operating outside the Athletics Fund included the Trust Fund-Equipment Replacement and Trust Fund-Girls Interscholastic accounts. Although monies posted to these accounts were used as intended, expenditures incurred exceeded the available balance in both accounts, and the accounts closed the 2013-2014 fiscal year with deficits of approximately \$(275) and \$(345), respectively.

RECOMMENDATIONS

- 7.1. The school administration should direct staff from the Athletics Department responsible for overseeing the related financial activity to strengthen controls over the budgeting of available funds and projected expenditures to prevent excessive spending and deficit balances. *This should include monitoring funds available in the General Fund-Vending Commissions account and request fund transfers to the Athletics Fund as needed to cover any potential deficits.*
- 7.2. The school administration should not be approving expenditures *unless sufficient funds are available in the Athletics Fund to cover expenditures.*
- 7.3. The school administration should direct the Treasurer to bring to their attention any instances where expenditure in the Athletics Fund or other accounts result in a deficit balance, for discussion with appropriate staff and implementation of corrective measures.
- 7.4. Athletics Department staff should improve follow-up on the receipt of any outstanding remittances from other schools (from game proceeds due to the school).

Person(s) Responsible:

Principal,
Assistant Principal, Treasurer,
Activities Director and Athletic Director

Management Response:

In order to ensure proper procedures are followed the Principal met with the all sponsors/coaches, Activities Director, Athletic Director, Treasurer and Assistant Principal(s) over Activities and Athletics to review the Manual of Internal Fund Accounting.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: Administration will direct staff from the Athletic Department to maintain controls over the budgeting of available funds and projected expenditures to prevent excessive spending and deficit balances. This will include monitoring funds in the General Athletic account and requesting fund transfers to cover any potential deficits. Administration will not approve any expenditure unless sufficient funds are

available. A meeting was held with the Treasurer, wherein she was informed to advise Administration of any/all negative Internal Funds account balances, including Athletics. A meeting was held with the Athletic Business Manager, wherein she was informed to follow-up on any/all outstanding remittances (game proceeds due to the school) including the instance cited in the report.

Person(s) Responsible:

ETO Administration

Management Response:

The Principal has been directed to review the Manual of Internal Fund Accounting with regards to the financial activities of the Athletics Department with the Treasurer, Athletics Department staff, Athletic Director and Activities Director.

The Principal was instructed to monitor the funds and expenditures of all Athletics and Activities accounts with the Treasurer on a quarterly basis.

The Educational Transformation Office Administrative Director will conduct random site reviews to ensure compliance with the guidelines related to Athletics and related activity accounts described in the Manual of Internal Fund Accounting.

8. Inadequate Controls Over Disbursements
Miami Northwestern Senior

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 vendor 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 disbursement documentation to show that the lowest quote was selected. In addition, Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* require that a purchase order be issued and posted to document approval of individual purchases of \$100 or more, and that the invoice supporting the disbursement include the signature of the employee responsible for receiving the goods/services to certify receipt and indicate that the invoice is ready for payment.

The school was cited for non-compliance with bid requirements during the prior audit. Our follow-up review of a sample of disbursements made during the 2013-2014 and 2014-2015 fiscal years up to October 2014 continued to disclose similar discrepancies. Details are as follows:

- 8.1. In 15 instances, individual purchases of \$1,000 or more were not supported with the minimum of three written vendor quotations, including one from a certified minority. Purchases included decorations, T-shirts, jerseys, awards, photographic services and bus transportation.
- 8.2. In five instances, the invoices were not signed to indicate that goods/services had been received and payment was in order. In three other instances, individual purchases of \$100 or more did not include an Internal Funds Purchase Order.

Immediately upon discussion of our findings, the school administration sent written communication to all club sponsors and athletic coaches reminding them of the requirement for obtaining written quotations for purchases of \$1,000 or more, including one quotation from a certified minority enterprise.

The Instructional Materials and Educational Support (Fund 9) account was established in the school's Internal Funds to provide principals additional purchasing flexibility at the school site level. To obtain the revenue for the school's Fund 9 account, principals are permitted to "transfer" specified amounts of their allocated tax-dollar budget funds appropriated for supplies into the Internal Funds of the school. Section III, Chapter 9, of the *Manual of Internal Fund Accounting* sets forth the guidelines over these funds and includes a list of expenditures that can be charged to this account as well as a list of those not allowed to be paid with these funds. According to the guidelines, out-of-county

travel expenditures for students *cannot be paid with these funds*. However, we found that:

- 8.3. Our review of the Instructional Materials and Supplies (Fund 9) account's transactions for the 2013-2014 fiscal year disclosed some unallowable expenditures. Specifically, we noted three instances where out-of-county transportation for students was improperly charged to this account.

RECOMMENDATIONS

We again recommend the following:

- 8.1. **Review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.**
- 8.2. **Enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three written vendor quotations, one of which must be from a certified minority vendor; and 2) the lowest quotation is selected.**
- 8.3. **Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.**
- 8.4. **Ensure that purchases charged to the Fund 9 account comply with the requirements.**

Person(s) Responsible:

**Principal,
Assistant Principal, Treasurer,
Activities Director and Athletic Director**

Management Response:

In order to ensure proper procedures are followed the Principal met with the Activities Director, Treasurer and Assistant Principal to review the Manual of Internal Fund Accounting.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: Persons responsible will thoroughly review disbursement procedures with staff for proper understanding and awareness of requirements. Bid requirements will be enforced by the Principal, Assistant Principal and Treasurer. 1) No purchases of \$1,000 or greater will be approved without a minimum of three documented vendor quotes (one of which must be from a certified minority vendor); 2) the lowest quote will be selected. The Administrator/Treasurer will review and follow disbursement procedures to ensure documentation compliance and the timeliness of

payments. The Administrator/Treasurer will ensure that all purchases charged to the Fund 9 account comply with Internal Funds requirements.

Person(s) Responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with purchasing and disbursement procedures as depicted in the Manual of Internal Fund Accounting.

The Principal has been instructed to review Fund 9 purchasing procedures with the Treasurer, Activities Director and Athletic Director. The Principal will coordinate quarterly Internal Funds mini-reviews to ensure compliance and accuracy.

9. Grants And Donations Not Properly Managed/Monitored By The School Resulted In Some Discrepancies
Miami Northwestern Senior

According to Section IV, Chapter 14 of the *Manual of Internal Fund Accounting*, monetary grants/donations made by an organization or other group to any school and/or school-sponsored student class/club should be accompanied by a letter/grant document in order to delineate the intent for the monies received and how they should be spent.

For accountability purposes, grants/donations with a specific purpose must be posted to a separate Trust Fund account. Different accounts or account sub-ledgers shall be utilized when several designated grants/donation are received. Additional grant/donations should not be recorded in an account that has unspent funds to avoid commingling.

Regarding to disbursements made with grant funds, any changes to the intent of how the grant funds are to be spent must be obtained from the grantor in writing to ensure that grant funds were spent as intended by the grantor.

A similar item regarding grants and donations was discussed with the school administration during the prior audit.

Our review of several donations and grants disclosed an instance during the two-year audit period where the school received grant funds totaling approximately \$1,800 for the implementation of an entrepreneurship curriculum. Part of these funds could be used to purchase classroom supplies and student awards, among others. We found that the school purchased a laptop and an iPad with a total cost of approximately \$1,140 and charged it to the grant; however, the equipment was not at the school at time of audit, and the *Approval of Off-Site Use of School Board Property form* [FM-2380] was not on file to indicate the individual(s) with custody of the equipment, and approval from the school administration to remove and use the equipment away from school premises. Upon our inquiries, we found that the equipment was at a teacher's residence. At our request, the equipment was brought to the school for verification purposes, and the appropriate form was completed, signed and filed at the school. In addition, the grant summary report for the 2012-2013 fiscal year was not on file, while the grant summary report for the 2013-2014 fiscal year contained errors. As of June 30, 2014, the account had a balance of approximately \$207.

RECOMMENDATIONS

- 9.1. Review the procedures in Section IV, Chapter 14 of the *Manual of Internal Fund Accounting* with sponsors and affected staff to ensure awareness and understanding of the requirements for managing grants/donations and for posting in the appropriate accounts.
- 9.2. Strengthen the overall monitoring/review of the individual grants/donations to ensure that funds are spent as intended.
- 9.3. Any temporary removal of property should be documented with the appropriate forms to ensure administrative approval.

Person(s) Responsible: Principal,
Assistant Principal Overseeing Financial Activities,
Staff Overseeing Grants, Staff Overseeing Equipment
And Treasurer

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal overseeing financial activities, staff overseeing grants, staff overseeing equipment and the Treasurer to review the Manual of Internal Fund Accounting delineating specific instructions for management and monitoring of Grants and Donations. The process for safeguarding internal funds records has been reviewed with a new established system of controls and measures being adopted.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: The Principal will review the procedures in Section IV, Chapter 14 of the Manual of Internal Funds Accounting with sponsors and responsible staff to ensure awareness and understanding of requirements. All grants/donations will be reviewed for posting in the appropriate accounts. All concerned parties will reinforce the overall monitoring/review of the individual grants/donations to ensure that funds are expended as intended. Any temporary removal of property purchased with these funds must be documented with Outgoing Form (FM-1670) to ensure administrative approval.

Person(s) Responsible:

ETO Administration

Management Response:

The Principal has been directed to review the Manual of Internal Fund Accounting with regards to Grants and Donations with the Treasurer and staff overseeing grants to ensure appropriate management of grants and donations.

The Principal has been directed to monitor the expenditures of all Grants and Donations accounts. In the event a discrepancy is noted, corrective action will be immediately implemented.

**10. Inadequate Controls
Over Receipts And
Deposits
*Miami Northwestern Senior***

Section II, Chapter 3 of the *Manual of Internal Fund Accounting* provides the guidelines for receipting collections and documenting deposits associated with internal funds activities. In addition, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools* published via *Weekly Briefing No. 5164*, dated November 6, 2008, address the proper safeguarding of deposits at schools. Pursuant to these procedures, collections awaiting deposit at the school overnight or over a weekend are to be logged in the Collection/Deposit Log [FM-7249] at the time the deposit is placed in the secure area, and when removed from this area for deposit. Procedures also require that the log be signed by the staff member responsible for verifying the amount of the deposit and by the administrator/designee responsible for this similar task.

Our review of a sample of 25 deposits from the 2012-2013, 2013-2014 and 2014-2015 fiscal years up to October 2014 disclosed 17 instances where collections remained at the school overnight/over the weekend; however, the collections were *not* recorded in the Collection/Deposit Log [FM-7249]. Of the 17 instances, we noted 11 instances of delays in the remittance of funds/the posting of the transaction in the automated system. Delays ranged between 2 and 7 days. Most discrepancies were identified in deposit packages corresponding to the 2013-2014 fiscal year.

Immediately upon discussion of our findings, the school administration sent written communication to all club sponsors and athletic coaches reminding them to count and verify with designated staff any monies being dropped off for deposit *after hours*; to ensure that amounts are recorded in the Collection/Deposit Log; and to validate with the treasurer the next business day the amount to be deposited and recorded in the corresponding account(s).

RECOMMENDATIONS

- 10.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and timelines for turning in funds/posting collections.**
- 10.2. Ensure that the Collection/Deposit Log [FM-7249] is consistently utilized to document any monies left overnight/over the weekend pending deposit.**
- 10.3. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and recorded.**

Person(s) Responsible: **Principal,
Assistant Principal Overseeing Financial Activities,
Activities Director And Treasurer**

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer to review the Manual of Internal Fund Accounting delineating specific instructions for maintaining receipts and deposits. The process for safeguarding internal funds records has been reviewed with a new established system of controls and measures being implemented.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: The Principal will discuss receipt and deposit procedures with staff for understanding and awareness of the requirements and timelines for submitting funds/postings collections. All responsible parties will ensure that the Collection/Deposit Log [FM-7249] is consistently utilized to document any monies pending deposit left overnight/over the weekend. All persons responsible will collaborate to review and oversee receipt/deposit activities to ensure that monies are timely receipted, deposited and recorded.

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

Management Response:

The Education Transformation Office Administrative Director, compliantly with the Principal, will seek assistance from the Division of Internal Fund Accounting to provide necessary training for designated staff.

The Education Transformation Office Administrative Director directed the Principal to review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to ensure that procedures are followed as it relates to the proper receipting, posting, depositing and safeguarding of funds.

The Education Transformation Office Administrative Director directed the Principal to coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately remediated.

**11. School Non-Compliant With
FTE Records And Procedures
Resulted In
Potential FTE Funding
Disallowances
*Miami Northwestern Senior***

Our review of a sample of FTE and Teacher Certification records in 2013-2014 disclosed several discrepancies in the ESOL, *On-the-Job (OJT)*, Teacher Certification and Special Education (SPED) areas. Based on our samples, non-compliance issues identified in the first three areas could have generated a combined funding disallowance to the District totaling approximately \$8,190. In the case of the non-compliance issues identified in the SPED area, the errors would not have resulted in potential funding disallowances, because they would not have triggered changes in the level of funding of the individual students. Nevertheless, these errors represent lapses in compliance with District policy and similarly require the attention of the school administration and staff responsible for maintaining/overseeing these records. Details are as follows:

Result Of Review Of ESOL Records

For the 2013-2014 school year, guidelines and procedures for maintaining ELL student information were provided through the 2013-2014 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda and the *District Plan For Services to English Language Learners (ELL)*.

According to the guidelines, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students and the *Home Language Survey* [FM-5196] must be properly completed and filed in the ESOL Program Record Folder.

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

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

During the February 2014 FTE Survey⁸, the school reported 39 students enrolled in the ESOL program. A review of a sample of ten ELL student folders disclosed the following discrepancies in all ten student folders sampled (100%). After discussing our findings with ESOL staff, we could not determine who was in charge of completing the LEP Plans. Some of the records reviewed were located outside the student folders and it was evident the records had not been filed for some time. Based on the errors/omissions noted in the ESOL area, we calculated a potential funding disallowance to the District of approximately \$1,985. Details of our findings follow:

- 11.1. In *all ten instances*, the ELL/LEP Student Plans [FM-4650] was not prepared.
- 11.2. In eight instances, the printout of the student schedule was not evident in the files.
- 11.3. In six instances, the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6576] was not evident in the files.
- 11.4. In six instances, test materials were not evident in the files.
- 11.5. In two instances, the *Home Language Survey* [FM-5196] was not properly completed or not evident in the file.
- 11.6. In two instances, the documentation did not include evidence that a LEP Committee meeting had been convened to consider a student's extended placement in the ESOL program.

Result Of Review Of On-the-Job (OJT) Records

All cooperative education students must be scheduled for one period of job related instruction and a minimum of one period of On-the-Job (OJT) training during the day.

Certain forms are required to document the student's job search and working efforts. Attendance for the OJT period(s) will be reported on the *Job Training Attendance Records* [FM-5248]; otherwise referred to as the student's Time Card. One of the requirements for completing this form is that it must be signed by the teacher and student. In addition, it is the teacher's responsibility to ensure the proper completion and submittal to the FTE designee at each school.

Students enrolled in a cooperative education program must work a minimum average of 15 hours per week (within the grading period) with the majority of the employment during the school week. In the case of an unemployed student seeking work, the *Job Search Record* [FM-5888] must be completed and filed.

⁸ FTE Survey in February is otherwise referred to as FTE Survey Period 3.

The school reported 30 students during the February 2014 FTE Survey Period. Our review of ten OJT student records disclosed errors in eight of the ten student records sampled (80%). Based on the errors/omissions noted in the OJT records, we calculated a potential funding disallowance of approximately \$4,030:

11.7. For eight students, the hours reported were less than the required minimum of 15 hours per week, or the student did not work during FTE week.

11.8. In three instances, the *Job Search Record* [FM-5888] was not evident in the files.

Result Of Review Teacher Certification Records

According to the FTE-In-Brief 2012-2013 issued by the District's Federal and State Compliance Office, the schools are responsible for making sure all teachers are certified in their assigned subject areas, and that teachers are assigned to teach in accordance with certification requirements.

The *Agreement for Teachers Accepting Out-of-Field Waiver Assignments* [FM-5784] is signed by a teacher to acknowledge that he/she is teaching in an out-of-field assignment and that he/she must take a minimum number of courses towards certification in that field. In the case of *Out-of-Field Waiver Assignments*, these waiver(s) are submitted to the District for approval before FTE Survey week. A copy of the waiver must be maintained in the school files. In addition, Out-of-Field notification letter to parents must be sent home before FTE survey period.

From our sample of ten teachers selected for a review of certification records, we noted two instances of non-compliance with District policy. One of these two instances could have resulted in potential funding disallowances of \$2,175 because the level of funding corresponding to the students enrolled in the classes taught by this teacher would have been affected:

11.9. In two instances, teacher certification in the field covering assigned subject area courses could not be verified. Specifically, the *Agreement for Teachers Accepting Out-Of-Field Waiver Assignments* [FM-5784] was not on file at the school and we could not locate the School Board approval to teach out-of-field for two of the teachers sampled.

Result Of Review Of SPED Records

The *Matrix of Services* form (referred to as a *Matrix*) is used to determine the cost factor for exceptional education students. The cost factor calculation in the Matrix is based on the decisions made by the Individual Education Plan Committee, which are documented on the Individual Education Plan (IEP).

The school reported 306 SPED students during the February 2014 FTE Survey Period. Our review of a sample of 31 Special Education (SPED) records, of which 16 were Exceptional Education and 15 were Gifted student folders disclosed the following non-compliance with District policy. *As previously indicated, although the errors/omissions did not result in potential funding disallowances (because the level of funding of these students was not affected) they still merit the attention of the school administration to ensure compliance with District policy going forward:*

- 11.10. In three instances for both IEP and EP conferences, the date of the Notification of Meeting Form was not properly completed. Specifically, the date did not agree with the date of the meeting, or it indicated the same day as the date of the notification.
- 11.11. In three instances, an Educational Plan (EP) did not have the required professional signatures.
- 11.12. In one instance, a *Matrix of Services* Form was not evident in the student file.

RECOMMENDATIONS

- 11.1. The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**
- 11.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 11.3. To reduce the probability of potential losses in funding and other non-compliance issues regarding OJT criteria, the Principal or administrative designee should discuss OJT procedures with staff overseeing the OJT Program and should ensure that all OJT-related forms are properly completed, signed and filed in the student folders.**
- 11.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding Teacher Certification requirements, the Principal or administrative designee should ensure that out-of-field waivers are maintained on file at the school site; and that teachers are assigned to teach in accordance with certification requirements. In addition, the Certification Department should be notified and school files should be updated with the most current certification information. Going forward, the school administration should strengthen monitoring over this area.**

11.5. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED criteria, the Principal or administrative designee should monitor the SPED area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in SPED-EMS; and all necessary records are properly completed, signed and filed.

Person(s) Responsible:

**Principal, Designated Administrator,
ELL, OJT, SPED Staff
And Teacher**

Management Response:

In order to ensure proper procedures are followed, the Principal met with the designated administrator and staff to review FTE policies and procedures, and reiterate the process for safeguarding compliance.

To ensure staff compliance with FTE records and procedures the following steps will be taken:

The administrative designee has identified appropriate staff to complete LEP Plans. The administrative designee has reviewed ESOL program record folders for accuracy, form completion and input appropriate codes in ISIS. The Principal will conduct semi-annual audits to review accuracy of records. The administrative designee has met with the OJT instructor to review cards, hours of employment and documentation for students seeking employment. Discussion was held with the OJT instructor to ensure forms are properly completed, signed and filed in student folders. The administrative designee has filed out of field waivers in a secure school-site location. Staffing and the Certification Department have been notified of current certification information. The administrative designee is monitoring all appropriate certification documents for compliance. The administrative designee is working closely with the SPED Department Chair to ensure the documentation of all IEP and SPED conferences. A discussion was held with the SPED Department Chair regarding SPED-EMS, and the proper completion of signed student cumulative folders.

Person(s) Responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director, compliantly with the Principal, will pursue assistance from the FTE Office to provide necessary training for designated staff.

The Education Transformation Office Administrative Director will direct the Principal to seek assistance from the Special Education Office, the Office of Bilingual Education and World Languages and the Division of Career Technical Education in order to ensure compliance with District and Federal guidelines in the affected areas.

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 ended June 30, 2013 and/or June 30, 2014, depending on the school audited, on the cash basis of accounting;
- evaluate compliance by the schools/centers with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with *current payroll procedures*, as well as compliance with *current purchasing credit card program procedures*; and *certain information technology controls*;
- verify compliance by the schools/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; and
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.

While the scope of our audits generally covered operations during the period of July 1, 2012 through June 30, 2013 and/or July 1, 2013 through June 30, 2014 (depending on whether the audit scope was one or two-year audit at the individual school being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. FTE audits covered the February 2014 survey period (2013-2014 survey period 3) or the October 2014 survey period (2014-2015 survey period 2), depending on the school audited.

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools/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, 2013 and June 30, 2014 was 0.50% and 0.62%, respectively.

Various fund-raising activities are conducted by independent, school-related organizations such as booster clubs, parent-teacher associations, etc. If these fund-raising activities are conducted entirely by these organizations and no board employee handles or keeps custody of the funds or merchandise, these activities are not recorded in the schools/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, 2013 and June 30, 2014, the MDCPS-Money Market Pool Fund's interest rate was 0.50% and 0.62%, respectively.

PAYROLL

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

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

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

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

PROPERTY

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

Our office conducts yearly inventories at each school of all property items with an original cost of \$1,000 or more. These inventories are customarily scheduled and performed at the sites **after the first day of school and before the end of the school year**. Consequently, the property inventories of schools/centers audited during the summer months of July and August are customarily conducted at a later date, unless staff is available at the schools/centers 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/centers, principals administer the purchasing credit card program, which must comply with the guidelines established in the *Purchasing Credit Card Program Policies & Procedures Manual*. The P-card program was designed to streamline the acquisition process by enabling employees at the schools/centers to make small dollar purchases (less than \$3,000 per individual transaction) for materials and supplies. The program is currently managed by the Accounts Payable Department.

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

FULL-TIME EQUIVALENT (FTE)

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

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

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

Schools/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 2013-2014 and 2014-2015 fiscal years, months selected by the FDOE for these surveys are as follows:

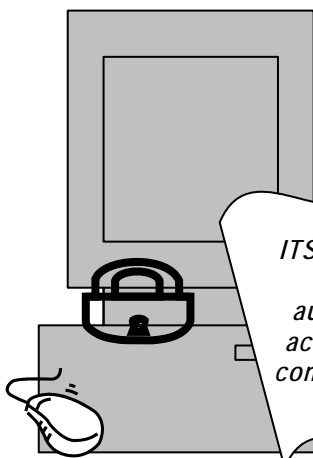
Survey Period No.	Time Period of Survey
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

As of the 2007-2008 fiscal year, FTE audits have been incorporated as part of the school audits routinely performed by the Office of Management and Compliance Audits. FTE audits are conducted at selected schools/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. For selected schools/centers in this report, we reviewed this area as a follow up to conditions noted in the prior audit. In such cases, our purpose was to ensure that corrective action was implemented by the principals, and access to these computer applications was fully compliant with the guidelines.

THE GREATER MIAMI ATHLETIC CONFERENCE (GMAC)

BACKGROUND

The Greater Miami Athletic Conference

The Greater Miami Athletic Conference (GMAC), in cooperation with the Florida High School Activities Association (FHSAA), regulates and promotes interscholastic athletic activities among its membership of all public and non-public high schools. Its purpose is to protect the interests of the high schools belonging to this conference, to promote pure, amateur sports, and to foster such other activities as the organization may decide to sponsor. It also trains and provides officials for the athletic events.

The GMAC is administered by the Executive Committee that consisted of various school system employees, most of whom are Principals. The President of the Executive Committee during the 2012-2013 and 2013-2014 fiscal years was the Athletic Director at Miami Palmetto Senior High School. GMAC's Executive Secretary reported to the Assistant Superintendent, School Operations, in charge of the Division of Athletics, Activities and Accreditation.

The Dade County Athletic Equalization Fund

The Dade County Athletic Equalization Fund was established to aid the athletic programs at senior high schools in financial distress. To assure the viability of this Fund, schools are required to repay amounts borrowed, for which no interest is charged. At the present time, the GMAC's Executive Secretary serves as the trustee of the funds with oversight from the Assistant Superintendent, School Operations in charge of Athletics/Activities.

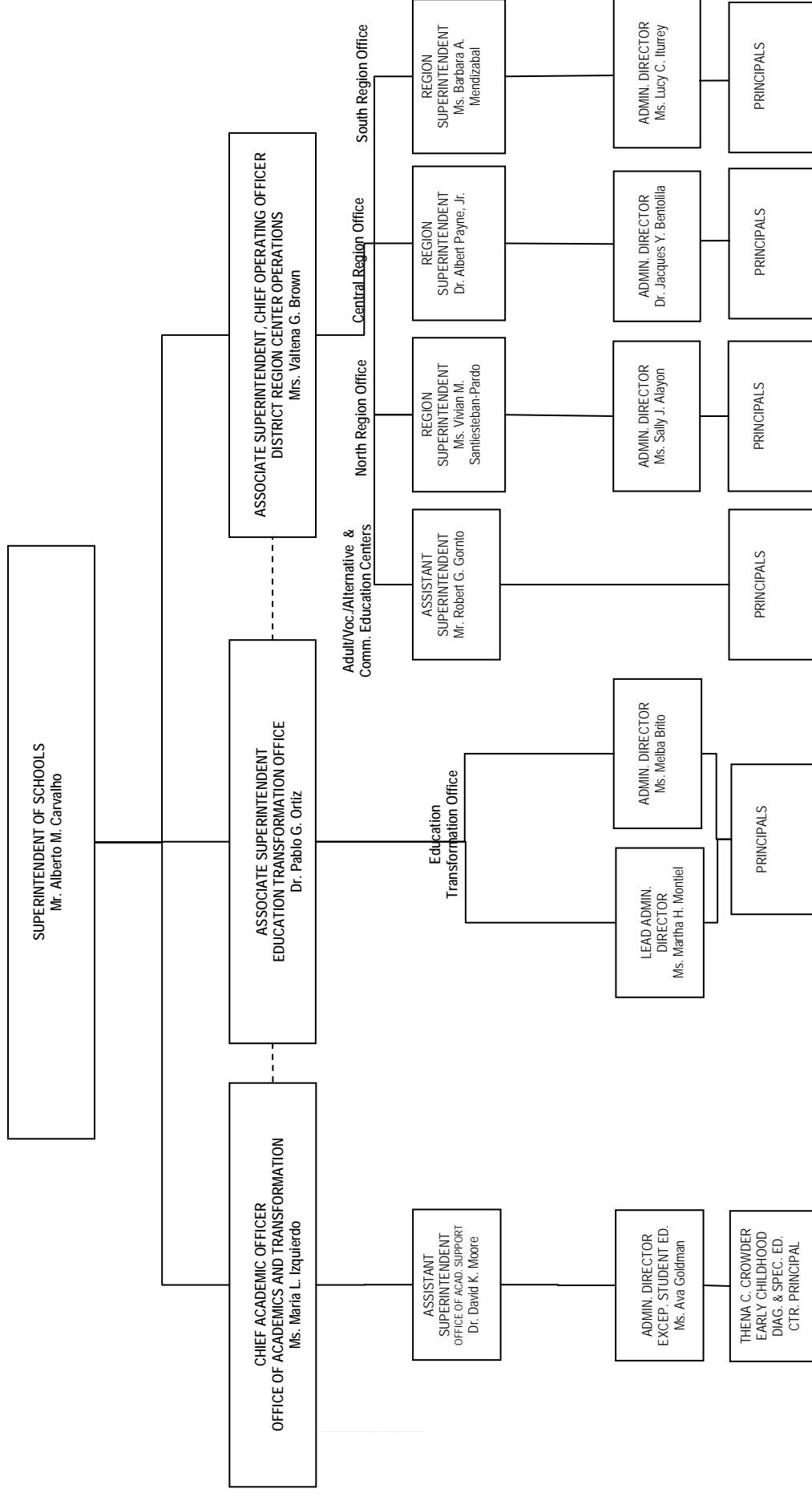
During the two-year audit period ending June 30, 2014, the funds were maintained in a Trust Fund account within the Internal Funds of GMAC. This account experienced financial activity during the audit period without noted exceptions. At the beginning of 2012-2013, the account balance was \$25,119. At the close of the 2013-2014 fiscal year, the balance was \$19,118. There is only one unpaid loan for \$10,000 from one of the senior high schools, and payments are being made in a timely manner, in accordance with the installment payment plan agreed by the parties.

The Division of Athletics, Activities and Accreditation

The Division of Athletics, Activities and Accreditation provides leadership and direction for the District's athletics and activities program by planning, implementing and supervising programs and making policy recommendations.

This office works closely with District, Region and school site personnel to ensure compliance with School Board Policies and guidelines as well as policies of the Greater Miami Athletic Conference (GMAC) and Florida High School Athletic Association (FHSAA), when applicable.

ORGANIZATIONAL CHART (SCHOOLS/CENTERS)




**APPENDIX
MANAGEMENT'S RESPONSES**

MEMORANDUM

December 16, 2014

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

FROM: Claudine Winsor, Principal 
James H. Bright/J.W. Johnson Elementary School

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
JAMES H. BRIGHT/J.W. JOHNSON ELEMENTARY SCHOOL FOR 2012-
2013 AND 2013-2014 FISCAL YEARS

The following is submitted in response to the Audit Report of James H. Bright/J.W. Johnson Elementary School for the 2012-2013 and 2013-2014 fiscal years.

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

FINDING

1. Inadequate controls over the bookkeeping function led to various account mispostings and non-compliance with Internal Funds Policy.

RECOMMENDATIONS

- 1.1 Review bookkeeping procedures with the Bookkeeper to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing transactions.
- 1.2 Direct the Bookkeeper to post the transactions in a timely manner and discuss any adjusting entries during the month-end account reconciliation to ensure they are timely posted going forward.
- 1.3 Request assistance from the Division of Internal Funds Accounting in the Office of the Controller if additional training on the posting of transactions is required.
- 1.4 Contact Facilities Operations in the Budget Department regarding the process of parking facility rental for understanding and awareness of the requirements. In the future, all rental of parking facilities should be handled by the District.
- 1.5 Discuss with the Bookkeeper the procedure for accounting for field trips. Going forward, strengthen monitoring over the field trip accounts and ensure that students are charged as close to cost as possible. Periodically, meet with the sponsor of the field trip and the Bookkeeper to review the accounting for the individual field trips, discuss/correct any possible mispostings in a timely fashion and ensure that all ancillary field trip forms are filed.

1.6 Going forward, the new school administration should assure that grants are spent as intended: and should request written approval from the grantors in advance if changes to the initial grant budget are foreseen.

PERSON(s) RESPONSIBLE: Principal, Assistant Principal, and Bookkeeper

MANAGEMENT RESPONSE:

The Principal reviewed bookkeeping procedures outlined in the *Manual of the Internal Fund Accounting* with the Bookkeeper and Assistant Principals to ensure understanding and awareness of the procedures that must be followed and the timelines that must be observed for processing transactions.

The Principal instructed the Bookkeeper to post all transactions in a timely manner. Additionally, the Principal instructed the Bookkeeper to schedule a meeting with her during the month-end account reconciliation to review and discuss any entry adjustments to ensure they are posted in a timely manner.

The Bookkeeper was directed to request assistance from the business manager in the Division of Internal Funds Accounting for additional guidance regarding the posting of transactions. This Principal will carefully review all postings of checks and bank interest on a bi-weekly basis to ensure that all postings are performed correctly and in a timely manner.

Regarding the signing of checks, the Principal will ensure that the school checks issued to any of the check signers are appropriately signed by the corresponding check signer's designee. The Principal will also ensure that if a third party contacts the school to request use of the parking facilities staff will contact Facilities Operations in the Budget Department to ensure that all school facility rentals have been handled by the District.

Furthermore, the Principal will review with the Bookkeeper and Assistant Principals all procedures for accounting for field trips as outlined in the *Manual of the Internal Fund Accounting*.

At the time of each filed trip, the Principal will review all field trip forms, student rosters and complimentary tickets to ensure that students are charged, as close as possible, to the cost of the field trip and that any possible mispostings are corrected in a timely fashion.

The Principal will work cohesively with the Bookkeeper to ensure that all supporting field trip documents are kept on file for each corresponding field trip in the main office.

In addition, the Principal will work closely with the Bookkeeper and Assistant Principals to ensure that all grants are spent as intended, paying close attention to program and project expenses. If, for any reason, changes in the initial grant budget are foreseen, a request for written approval from the grantors will be made in advance.

FINDING

2. Inadequate controls over disbursements.

RECOMMENDATIONS

- 2.1 The school administration should discuss the internal funds disbursement guidelines with staff for awareness and understanding of the requirements and should strengthen the review over the disbursements to ensure compliance with District policy.
- 2.2 The school administration should direct staff to ensure that original invoices are obtained and filed and payments made in a timely manner.
- 2.3 The school administration should enforce bid requirements and direct staff to ensure that: 1) Purchases are properly documented with a minimum of three written vendor quotes, one of which would be from a certified minority enterprise; and 2) the lowest quote is selected.

PERSON(s) RESPONSIBLE: Principal, Assistant Principal, and Bookkeeper

MANAGEMENT RESPONSE:

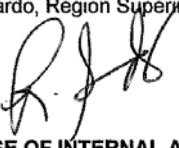
The Principal reviewed the *Manual of Internal Funds Accounting* with the Assistant Principals, Bookkeeper, and Secretaries, to heighten the awareness and understanding of the requirements to ensure compliance with District policy. The Principal will strengthen oversight over the disbursement function to ensure that original invoices are obtained, properly signed, filed and payments are processed in a timely manner. In addition, the Principal will monitor internal funds disbursements on a bi-weekly basis to ensure that all expenditures over \$1,000.00 are properly documented with three written bids, including one which will be from a certified minority vendor and the lowest quote is selected.

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

MEMORANDUM

December 18, 2014

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

FROM: Raymond J. Sands, Principal
North Glade Elementary 

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
NORTH GLADE ELEMENTARY SCHOOL FOR JULY 1, 2012 THROUGH JUNE 30,
2014**

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

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

FINDINGS

1. **Inadequate Recordkeeping, Documenting and Reporting of Payroll**

RECOMMENDATIONS

- 1.1 **Review with staff the recording of attendance on the Daily Payroll Attendance Sheets and the completion of leave cards to ensure that payroll records are properly completed.**
- 1.2 **Ensure that compensatory time is allowed for employees according to their bargaining units.**
- 1.3 **Direct staff to ensure the number of days that temporary substitutes can work in a given pay period to prevent hiring in excess of the guidelines.**
- 1.4 **Direct the payroll clerk to file all leave cards with the records and to document leave on the Daily Payroll Attendance Sheets to match the leave on the leave cards and Final Rosters.**
- 1.5 **Direct the payroll clerk to process payroll corrections for part-time employees pursuant to the guidelines and to file any payroll corrections with the payroll records.**
- 1.6 **Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported.**

PERSON (S) RESPONSIBLE:

Principal and Payroll Clerk

MANAGEMENT RESPONSE:

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

The Principal and Payroll Clerk are monitoring the Daily Attendance Sign-In Rosters on a regular basis and reviewing leave cards to ensure that payroll records are properly completed. In addition, the Payroll Clerk is filing the leave cards and ensuring the cards match the leave reflected in the Daily Payroll Attendance Sheets and Final Rosters.

The Principal is ensuring that compensatory time procedures are followed for employees according to their bargaining units. The Principal ensured a payroll correction was completed for the two days of compensatory time improperly reported for an employee. In addition, the Principal is directing the Payroll Clerk and Sub Locator to ensure that the local hiring of temporary instructors/substitutes does not exceed the maximum number of days in a pay period that is allowed for temporary instructors/substitutes under current payroll guidelines.

The Principal has reviewed procedures with the Payroll Clerk on processing payroll corrections for part-time employees pursuant to guidelines and will ensure the payroll corrections are filed with the payroll records.


The Principal will continue to review and strengthen overall payroll procedures to ensure the accuracy, completeness and propriety of the payroll reported.

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

MEMORANDUM

December 15, 2014

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

FROM: Ms. Giovanna Blanco, Principal 
Westland Hialeah Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF
WESTLAND HIALEAH SENIOR HIGH SCHOOL FOR THE 2013-2014 FTE
SURVEY PERIOD 3**

The following is submitted in response to the Audit Report of Westland Hialeah Senior School for the 2013-2014 fiscal year.

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

FINDINGS

1. **School Non-Compliant with FTE Student Records (ESOL and On-the-Job Training Areas) Resulted in Potential FTE Funding Disallowances**

RECOMMENDATIONS

- 1.1. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 1.2. **The Principal should discuss On-the-Job-Training (OJT) Program procedures with staff overseeing the OJT Program and should ensure that all OJT related forms are properly completed, signed and filed in the student folders.**

PERSON(S) RESPONSIBLE: Principal, Assistant Principal, Registrar, ELL and OJT Staff

MANAGEMENT RESPONSE:

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

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

The Principal will regularly monitor the proper and timely completion and filing of all documents in the ESOL Program Record folder, inclusive of the Individual ELL/LEP Student Plan (FM-4650) (WLEP); the printout of the students' schedules from the Integrated Student Information System (ISIS); the Home Language Survey (FM-5196); the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* (FM-6576); CELLA test scores; and evidence of the convening of LEP Committees for students

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

In addition, the Principal has met with the Assistant Principal and OJT staff to review the requirements of students enrolled in the OJT program to ensure understanding and responsibilities regarding the maintenance of OJT Student Records.

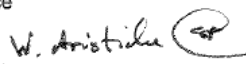
The Principal will work with the Assistant Principal and OJT Staff to ensure that students that are not employed will complete a Job Search Record and documents will be kept with all OJT files. Also, attendance for the OJT period will be reported on the Job Training Attendance Records (FM-5248). A student whose time cards does not reflect a minimum of 15 hours worked will be withdrawn from the OJT program and will be enrolled in Guided Workplace until they are able to work the minimum 15 hours. Compliance with all OJT requirements will also be monitored by the Principal on a periodic basis.

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

MEMORANDUM

January 13, 2015

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

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

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

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

FINDINGS AND RECOMMENDATION

Financial Activities in Cheerleaders Accounts For The 2012-2013 And 2013-2014 Fiscal Years Disclosed a Misappropriation of Funds by Former Cheerleading Sponsor

RECOMMENDATIONS

- 1.1. Ensure that staff understands and adheres to the process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4 and Section IV, Chapter 2 of the Manual of Internal Fund Accounting.
- 1.2. Enforce with staff and advise vendors of the practice that no orders of goods/merchandise/services shall be placed with vendors without a duly approved purchase order and a contact name. Also, funds must be available in the corresponding accounts(s) to cover the expenditure(s).
- 1.3. Discuss with staff that any orders not approved by the school administration may result in the staff member having to pay for the merchandise from his/her funds.
- 1.4. Direct sponsors to utilize official receipts only, otherwise referred to as BPI receipts, to receipt collections from students as required by Section II, Chapter 2 of the Manual of Internal Fund Accounting; and direct the Treasurer to alert the school administration of any instances brought to the attention of the Treasurer where sponsors are not utilizing official receipts (FM-0976), to receipt collections.

Person(s) Responsible: Principal, Assistant Principal Overseeing Financial Activities and Treasurer

Management Response:

In order to ensure proper procedures are followed the Principal met with all the sponsors/coaches, Activities Director, Athletic Director, Treasurer and Assistant Principal(s) over Activities and Athletics to review the Manual of Internal Fund Accounting.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: At the beginning of each school year sponsors/coaches will be formally trained in the policies and procedures for Miami Dade County Public Schools Internal Funds Accounting. Staff will be apprised of updates monthly. Reviews of Internal Funds Accounting will also be conducted semi-annually. The Principal, Assistant Principal, Activities Director and Treasurer will review check requisitions, bids, funds availability and other required documents (prior to signage) for accuracy/completeness on a weekly basis. Vendors will be notified that invoices will only be paid with an approved purchase order number. Staff will be notified that purchases made without prior administrative approval will result in staff incurring the cost of the expenditure. A meeting was held

with the Treasurer, wherein she was informed to immediately alert Administration of any/all failures to utilize official receipts or receipt collections of students.

Inadequate Controls Over Fundraising/Student Activities

RECOMMENDATIONS

- 2.1. Similar to the previous finding, review the procedures with sponsors and affected staff in Section IV, Chapter 2 of the Manual of Internal Fund Accounting to ensure awareness and understanding of the requirements for conducting fundraising activities.**
- 2.2. Strengthen the overall monitoring/review of the individual fundraising activity to ensure that discrepancies are promptly identified and resolved .**
- 2.3. Ensure that students are charged according to amounts listed in the official fundraising/field trip records. Any subsequent changes to amounts charged to students should have the approval of the appropriate District Office on file and reasons for the change properly documented/approved.**
- 2.4. Items given away as complementary must be documented to provide a clear accountability of activity.**

Person(s) Responsible: Principal, Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer to review the Manual of Internal Fund Accounting.

The Principal met with the Activities Director, Treasurer and Assistant Principal to review the Manual of Internal Fund Accounting delineating specific instructions for fundraising and student activities. The process for safeguarding internal funds records has been reviewed with a newly established system of controls and measures being adopted.

To ensure staff compliance with Internal Funds policies and procedures, the following steps will be taken: Persons responsible will review procedures in Section IV, Chapter 2 of the Manual of Internal Fund Accounting. During the review, every intention will be made to make sponsors aware of all requirements for conducting fundraising activities. Persons responsible will monitor/review individual fundraising activity to ensure that discrepancies are promptly identified and resolved. Administration will certify that students are charged according to amounts listed in the official fundraising/field trip records. Any subsequent changes to amounts charged to students will have the approval of the appropriate District Office. Changes will be properly documented and on file. Persons responsible will ensure all complimentary items are properly documented.

Inadequate Oversight Over Account Balances Resulted in a Large Year-End Deficit in the Athletics Fund and Other Athletic Related Accounts

RECOMMENDATIONS

- 3.1 The school Administration should direct staff from the athletics Department responsible for overseeing the related financial activity to strengthen controls over the budgeting of available funds and projected expenditures to prevent excessive spending and deficit balances. This should include monitoring funds available in the General Fund-Vending Commissions account and request fund transfers to the Athletics fund as needed to cover any potential deficits.**

- 3.2. The school administration should not be approving any expenditures unless sufficient funds are available in the Athletics Fund to cover expenditures.
- 3.3. The school administration should direct the Treasurer to bring to their attention any instances where expenditure in the Athletics Fund or other accounts result in deficit balance, for discussion with appropriate staff and implementation of corrective measures.
- 3.4. Athletics Department staff should improve follow-up on the receipt of any outstanding remittances from other schools (from game proceeds due to the school).

Person(s) Responsible: Principal, Assistant Principal, Treasurer, Activities Director, Athletic Director

Management Response:

In order to ensure proper procedures are followed the Principal met with the all sponsors/coaches, Activities Director, Athletic Director, Treasurer and Assistant Principal(s) over Activities and Athletics to review the Internal Funds Manual.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: Administration will direct staff from the Athletic Department to maintain controls over the budgeting of available funds and projected expenditures to prevent excessive spending and deficit balances. This will include monitoring funds in the General Athletic account and requesting fund transfers to cover any potential deficits. Administration will not approve any expenditure unless sufficient funds are available. A meeting was held with the Treasurer, wherein she was informed to advise Administration of any/all negative Internal Funds account balances, including Athletics. A meeting was held with the Athletic Business Manager, wherein she was informed to follow-up on any/all outstanding remittances (game proceeds due to the school) including the instance cited in the report.

Inadequate Controls Over Disbursements

RECOMMENDATIONS

- 4.1. Review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.
- 4.2. Enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three vendor quotations, one of which must be from a certified minority vendor; and 2) the lowest quotation is selected.
- 4.3. Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.
- 4.4. Ensure that purchases charged to the Fund 9 account comply with the requirements.

Person(s) Responsible: Principal, Assistant Principal, Treasurer, Activities Director, Athletic Director

Management Response:

In order to ensure proper procedures are followed the Principal met with the Activities Director, Treasurer and Assistant Principal to review the Manual of Internal Fund Accounting.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: Persons responsible will thoroughly review disbursement procedures with staff for proper understanding and awareness of requirements. Bid requirements will be enforced by the Principal,

Assistant Principal and Treasurer. 1) No purchases of \$1000 or greater will be approved without a minimum of three documented vendor quotes (one of which must be from a certified minority vendor); 2) the lowest quote will be selected. The Administrator/Treasurer will review and follow disbursement procedures to ensure documentation compliance and the timeliness of payments. The Administrator/Treasurer will ensure that all purchases charged to the Fund 9 account comply with Internal Funds requirements.

Grants and Donations Not Being Properly Managed/Monitored

RECOMMENDATIONS

- 5.1. Review the procedures in Section IV, Chapter 14 of the Manual of Internal Fund Accounting with sponsors and affected staff to ensure awareness and understanding of the requirements for managing grants/donations and for posting in the appropriate accounts.**
- 5.2. Strengthen the overall monitoring/review of the individual grants/donations to ensure that funds are spent as intended.**
- 5.3. Any temporary removal of property should be documented with the appropriate forms to ensure administrative approval.**

Person(s) Responsible: Principal, Assistant Principal Overseeing Financial Activities, Staff Overseeing Grants, Staff Overseeing Equipment and Treasurer

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal overseeing financial activities, staff overseeing grants, staff overseeing equipment and Treasurer to review the Manual of Internal Fund Accounting delineating specific instructions for management and monitoring of Grants and Donations. The process for safeguarding internal funds records has been reviewed with a new established system of controls and measures being adopted.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: The Principal will review the procedures in Section IV, Chapter 14 of the Manual of Internal Funds Accounting with sponsors and responsible staff to ensure awareness and understanding of requirements. All grants/donations will be reviewed for posting in the appropriate accounts. All concerned parties will reinforce the overall monitoring/review of the individual grants/donations to ensure that funds are expended as intended. Any temporary removal of property purchased with these funds must be documented with Outgoing Form (FM-1670) to ensure administrative approval.

Inadequate Controls Over Receipts and Deposits

RECOMMENDATIONS

- 6.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and timelines for turning in funds/postings collections.**
- 6.2. Ensure that the Collection/Deposit Log [FM-7249] is consistently utilized to document any monies left overnight/over the weekend pending deposit.**
- 6.3. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely received, deposited and recorded.**

Person(s) Responsible: Principal, Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer

Management Response:

In order to ensure proper procedures are followed the Principal met with the Assistant Principal Overseeing Financial Activities, Activities Director and Treasurer to review the Manual of Internal Fund Accounting delineating specific instructions for maintaining receipts and deposits. The process for safeguarding internal funds records has been reviewed with a new established system of controls and measures being implemented.

To ensure staff compliance with Internal Funds policies and procedures the following steps will be taken: The Principal will discuss receipt and deposit procedures with staff for understanding and awareness of the requirements and timelines for submitting funds/postings collections. All responsible parties will ensure that the Collection/Deposit Log [FM-7249] is consistently utilized to document any monies pending deposit left overnight/over the weekend. All persons responsible will collaborate to review and oversee receipt/deposit activities to ensure that monies are timely received, deposited and recorded.

School Non-Compliant With FTE Records and Procedures Resulting in Potential FTE Funding Disallowances

RECOMMENDATIONS

- 7.1 The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.
- 7.2. To reduce the probability of potential losses in funding and other noncompliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.
- 7.3. To reduce the probability of potential losses in funding and other noncompliance issues regarding OJT criteria, the Principal or administrative designee should discuss OJT procedures with staff overseeing the OJT Program and should ensure that all OJT-related forms are properly completed, signed and filed in the student folders.
- 7.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding Teacher Certification requirements, the Principal or administrator designee should ensure that the out of field waivers are maintained on file at the school site; and that teachers are assigned to teach in accordance with certification requirements. In addition, the certification department should be notified and school files should be updated with the most current certification information. Going forward, the school administration should strengthen the monitoring over this area.
- 7.5. To reduce the probability of potential losses in funding and other non-compliance issues regarding Sped criteria, the Principal or administrative designee should monitor the Sped area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folder and in SPED- EMS; in all necessary records are properly completed, signed and filed.

Person(s) Responsible: Principal, Designated Administrator, ELL, OJT, SPED staff and teacher records/course schedules

Management Response:

In order to ensure proper procedures are followed, the Principal met with the designated administrator and staff to review FTE policies and procedures, and reiterate the process for safeguarding compliance.

To ensure staff compliance with FTE records and procedures the following steps will be taken:

The administrative designee has identified appropriate staff to complete LEP Plans. The administrative designee has reviewed ESOL program record folders for accuracy, form completion and input appropriate codes in ISIS. The Principal will conduct semi-annual audits to review accuracy of records. The administrative designee has met with the OJT instructor to review cards, hours of employment and documentation for students seeking employment. Discussion was held with the OJT instructor to ensure forms are properly completed, signed and filed in student folders. The administrative designee has filed out of field waivers in a secure school-site location. Staffing and the Certification Department have been notified of current certification information. The administrative designee is monitoring all appropriate certification documents for compliance. The administrative designee is working closely with the SPED Department Chair to ensure the documentation of all IEP and SPED conferences. A discussion was held with the SPED Department Chair regarding SPED-EMS, and the proper completion of signed student cumulative folders.


If any further corrective actions or additional strategies are necessary, please contact me at 305-836-0991.

cc Ms. Melba Brito
Mr. Michael Lewis
Ms. Martha Montiel
Ms. Maria T. Gonzalez

MEMORANDUM

December 18, 2014
VSP#057/2014-2015
(305) 572-2800

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

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

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

Attached please find the responses to the audit findings for the 2012-2013 and 2013-2014 fiscal years for James H. Bright/J.W. Johnson Elementary School, North Glade Elementary School and Westland Hialeah Senior High School. The North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

James H. Bright/J.W. Johnson Elementary School

1. Inadequate Controls Over the Bookkeeping Function Led to Various Account Mispostings and Non-Compliance with Internal Funds Policy.

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

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

Furthermore, the Principal has been instructed to meet with the Bookkeeper to review procedures for accounting for field trips to ensure that all grants are spend as intended paying close attention to the program and project expenses.

2. Inadequate controls over disbursements.

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

In addition, the Principal has been instructed to meet with the Secretary/Treasurer/Bookkeeper on a regular basis to review and ensure that original invoices are obtained, filed and payments are processed in a timely manner. Furthermore, the Principal will monitor internal funds disbursements on a bi-weekly basis to ensure that all invoices are original, properly signed and that al expenditures over \$1,000.00 are properly documented with three written bids, one being from a certified minority vendor, and the lowest quote is selected.

North Glade Elementary School

1. Inadequate Recordkeeping, Documenting and Reporting of Payroll

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

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

Furthermore, the Principal has been instructed to review procedures for compensatory time, payroll corrections and temporary instructors/substitutes.

Westland Hialeah Senior High School

1. School Non-Compliant with FTE Student Records (ESOL and On-the-Job Training Areas) Resulted in Potential FTE Funding Disallowances

The North Region Office Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor with affected staff. The Principal was instructed to thoroughly review the Division of Bilingual Education and World Languages Memoranda and the District Plan for Services to English Language Learners with the Assistant Principal, ESOL Department Chairperson, Instructional Staff and the Registrar. The Principal was also instructed to thoroughly review with affected staff the requirements of students enrolled in the On-the-Job-Training (OJT) Program in regards to the maintenance of OJT Student Records.

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

The Principal has been instructed to monitor the proper and timely completion of all records on a regular basis in the OJT Program to ensure that attendance is reported and that students are working the minimum required hours.

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

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


VSP/SA

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

MEMORANDUM

January 13, 2015

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

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

SUBJECT: **SCHOOL OPERATIONS RESPONSE TO SCHOOL AUDITS OF SELECTED SCHOOLS IN THE NORTH REGION OFFICE**

School Operations has reviewed the audit exceptions cited in the 2012-2013 and/or 2013-2014 fiscal year(s) audit reports of the following schools reporting to the North Region Office: James H. Bright/J.W. Johnson Elementary School, North Glade Elementary School and Westland Hialeah Senior High School. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Director on mini-reviews conducted in selected areas of Payroll, ELL Student Records and Internal Funds. Discrepancies with the aforementioned areas will be investigated through the appropriate Region Office;
- Work collaboratively with the Region Offices and facilitate appropriate training and assistance from District Offices in all cited areas; and
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Principals' Summer Institute Professional Development.
- School Operations in collaboration with the Office of the Controller will continue to provide monthly Internal Fund Training for treasurers and bookkeepers

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.

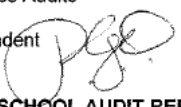
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cc: Mr. Jose Dotres
Ms. Vivian Santiesteban-Pardo
Ms. Cynthia Gracia
Ms. Sally Alayon

MEMORANDUM

January 13, 2015
PGO#049/2014-2015
305-995-3091

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

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

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

Please find attached the responses to the audit findings for Miami Northwestern Senior High School. The Education Transformation Office has reviewed the exceptions cited and the following support activities will be implemented at the Region level.

FINDINGS AND RECOMMENDATION

Financial Activities in Cheerleaders Accounts For The 2012-2013 And 2013-2014 Fiscal Years Disclosed a Misappropriation of Funds by Former Cheerleading Sponsor

RECOMMENDATIONS

- 1.1. Ensure that staff understands and adheres to process for initiating and approving disbursements and fundraisers. At the beginning of the year and periodically as needed, discuss the guidelines in Section II, Chapter 4 and Section IV, Chapter 2 of the Manual of Internal Fund Accounting.
- 1.2. Enforce with staff and advise vendors of the practice that no orders of goods/merchandise/services shall be placed with vendors without a duly approved purchase order and a contact name. Also, funds must be available in the corresponding accounts(s) to cover the expenditure(s).
- 1.3. Discuss with staff that any orders not approved by the school administration may result in the staff member having to pay for the merchandise from his/her funds.
- 1.4. Direct sponsors to utilize official receipts only, otherwise referred to as BPI, to receipt collections from students as required by Section II, Chapter 2 of the Manual of Internal Fund Accounting; and direct the Treasurer to alert the school administration of any instances brought to the attention of the treasure where sponsors are not utilizing official receipts (FM-0976), to receipt collections.

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

The Education Transformation Office Administrative Director will direct the Principal to review the Manual of Internal Fund Accounting, with focus on Section II, Chapter 4 and Section IV, Chapter 2, with the Treasurer, Staff and Sponsors. The Principal has been instructed to hold a follow up meeting with sponsors at the beginning of each school year, to outline and review fundraising document procedures.

The Principal has been directed to hold monthly review meetings with the Treasurer to monitor fundraising activities and ensure compliance of policies and guidelines.

Inadequate Controls Over Fundraising/Students

RECOMMENDATIONS

- 2.1. Similar to the previous finding, review the procedures with sponsors and affected staff in Section IV, Chapter 2 of the Manual of Internal Fund Accounting to ensure awareness and understanding of the requirements for conducting fundraising activities.

- 2.2. Strengthen the overall monitoring/review of the individual fundraising activity to ensure that discrepancies are promptly identified and resolved .
- 2.3. Ensure that students are charged according to amounts listed in the official fundraising/field trip records. Any subsequent changes to amounts charged to students should have the approval of the appropriate District Office on file and reasons for the change properly documented/approved.
- 2.4. Items given away as complementary must be documented to provide a clear accountability of activity.

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

The Education Transformation Office Administrative Director will direct the Principal to review the Manual of Internal Fund Accounting with Sponsors and the Treasurer to ensure compliance throughout the school year.

The Education Transformation Office Administrative Director, will collaborate with the Principal to seek assistance from the Division of Internal Fund Accounting to provide necessary training for designated staff.

Inadequate Oversight Over Account Balances Resulted in a Large Year-End Deficit in the Athletics Fund and Other Athletic Related Accounts

RECOMMENDATIONS

- 3.1 The school administration should direct staff from the Athletics Department responsible for overseeing the related financial activity to strengthen controls over the budgeting of available funds and projected expenditures to prevent excessive spending and deficit balances. This should include monitoring funds in the General Fund-Vending Commissions account and request fund transfers to the athletics fund as needed to cover any potential deficits.
- 3.2. The school administration should not be approving any expenditures unless sufficient funds are available in the Athletics Fund to cover expenditures.
- 3.3. The school administration should direct the Treasurer to bring to their attention any instances where expenditure in the Athletics Fund or other accounts result in deficit balance, for discussion with appropriate staff and implementation of corrective measures .
- 3.4. Athletics Department staff should improve follow-up on the receipt of any Outstanding remittances from other schools (from game proceeds due to the school).

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

The Principal has been directed to review the Manual of Internal Fund Accounting, with regards to the financial activities of the Athletics Department with the Treasurer, Athletic Department staff, Athletic Director and Activities Directors.

The Principal was instructed to monitor the funds and expenditures of all Athletics and Activities accounts with the Treasurer on a quarterly basis.

The Educational Transformation Office Administrative Director will conduct random site reviews to ensure compliance with the guidelines related to Athletics and related activity accounts described in the Manual of Internal Fund Accounting.

Inadequate Controls Over Disbursements

RECOMMENDATIONS

- 4.1. Review the disbursement procedures with staff to ensure a proper understanding and awareness of the requirements.

- 4.2. Enforce bid requirements and direct staff to ensure that: 1) purchases are properly documented with the minimum of three vendor quotations, one of which must be from a certified minority vendor; and 2) the lowest quotation is selected.
- 4.3. Strengthen the oversight of the disbursement function to ensure compliance with the disbursement documentation requirements and the timeliness of payments.
- 4.4. Ensure that purchases charged to the Fund 9 account comply with the requirements.

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

The Education Transformation Office Administrative Director will conduct site reviews to ensure compliance with purchasing and disbursement procedures as depicted in the Manual of Internal Fund Accounting.

The Principal has been instructed to review Fund 9 purchasing procedures with the Treasurer, Activities Director and Athletic Director. The Principal will coordinate quarterly Internal Funds mini-reviews to ensure compliance and accuracy.

Grants and Donations Not Being Properly Managed/Monitored

RECOMMENDATIONS

- 5.1. Review the procedures in Section IV, Chapter 14 of the Manual of Internal Fund Accounting with sponsors and affected staff to ensure awareness and understanding of the requirements for managing grants/donations and for posting in the appropriate accounts.
- 5.2. Strengthen the overall monitoring/review of the individual grants/donations to ensure that funds are spent as intended.
- 5.3. Any temporary removal of property should be documented with the appropriate forms to ensure administrative approval.

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

The Principal has been directed to review the Manual of Internal Fund Accounting, with regards to Grants and Donations, with the Treasurer and staff overseeing grants to ensure appropriate management of grants and donations.

The Principal has been directed to monitor the expenditures of all Grants and Donations accounts. In the event a discrepancy is noted, corrective action will be immediately implemented.

Inadequate Controls Over Receipts and Deposits

RECOMMENDATIONS

- 6.1. Discuss receipting and depositing procedures with staff for understanding and awareness of the requirements and timelines for turning in funds/postings collections.
- 6.2. Ensure that the Collection/Deposit Log [FM-7249] is consistently utilized to document any monies left overnight/over the weekend pending deposit.
- 6.3. Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited and recorded.

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

The Education Transformation Office Administrative Director, compliantly with the Principal, will seek assistance from the Division of Internal Fund Accounting to provide necessary training for designated staff.

The Education Transformation Office Administrative Director directed the Principal to review Section II, Chapters 2, and 3 of the Manual of Internal Fund Accounting to ensure that procedures are followed as it relates to the proper receipting, posting, depositing and safeguarding of funds.

The Education Transformation Office Administrative Director directed the Principal to coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately remediated.

Resulting in Potential FTE Funding Disallowances

RECOMMENDATIONS

- 7.1 The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**
- 7.2. To reduce the probability of potential losses in funding and other noncompliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 7.3. To reduce the probability of potential losses in funding and other noncompliance issues regarding OJT criteria, the Principal or administrative designee should discuss OJT procedures with staff overseeing the OJT Program and should ensure that all OJT-related forms are properly completed, signed and filed in the student folders.**
- 7.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding Teacher Certification requirements, the Principal or administrator designee should ensure that the outer field waivers are maintained on file at the school site; and that teachers are assigned to teach in accordance with certification requirements. In addition, the certification department should be notified and school files should be updated with the most current certification information. Going forward, the school administration should strengthen the monitoring over this area.**
- 7.5. To reduce the probability of potential losses in funding and other non-compliance issues regarding Sped criteria, the Principal or administrative designee should monitor the Sped area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folder and in SPED- EMS; in all necessary records are properly completed, signed and filed.**

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

The Education Transformation Office Administrative Director, compliantly with the Principal, will pursue assistance from the FTE Office to provide necessary training for designated staff.

The Education Transformation Office Administrative Director will direct the Principal to seek assistance from the Special Education Office, the Office of Bilingual Education and World Languages and the Division of Career Technical Education in order to ensure compliance with District and Federal guidelines in the affected areas.

If you need additional information, please contact me at (305) 995-3091. Thank you for your support and assistance.

cc Ms. Maria T. Gonzalez
Ms. Melba Brito
Ms. Martha Montiel

Anti-Discrimination Policy

Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In Addition:

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

MIAMI-DADE COUNTY PUBLIC SCHOOLS



INTERNAL AUDIT REPORT SELECTED SCHOOLS/CENTERS JANUARY 2015

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**Office of Management and Compliance Audits
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