

MIAMI-DADE COUNTY PUBLIC SCHOOLS

**Internal Audit Report
Selected Schools/Centers**



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

At Two Schools/Centers, Controls Over

- ❖ *Athletic Fund Expenditures, Athletic Game Ticket Inventories, And Staff's Handling Of Athletic And Fundraising Activities;*
- ❖ *The Disbursement Function;*
- ❖ *The Reporting And Recording Of Payroll; And*
- ❖ *FTE Records And Procedures*

Need Improvement.

*Property Inventory Results Were Satisfactory
For Most Schools/Centers Reported Herein.*

January 2016

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Mr. Alberto M. Carvalho
Superintendent of Schools

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

Miami-Dade County School Board

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January 19, 2016

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

Ladies and Gentlemen:

This report includes the audit results of 30 schools/centers currently reporting to the North Region, South Region, and Central Region offices. This group includes the last audit results of Martin L. King, Jr. Primary Learning Center. At this location, the internal funds checking account was closed effective May 2015. The account balance at the time of the closing was turned over to the elementary school overseeing this primary learning center (Liberty City Elementary) for deposit in the elementary school's checking account, thus consolidating their financial activity going forward.

The audit period of 19 of the 30 school audits reported herein is two fiscal years ended June 30, 2015, while the audit period of the remaining 11 school audits is one fiscal year ended June 30, 2015. At 11 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, Title I Program records and procedures, 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 28 of the 30 schools/centers, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. At two schools/centers, we cited deficiencies regarding the management of the Athletic Fund, athletic game ticket inventories, and staff's handling of athletic and fundraising activities; the disbursement function; the reporting and recording of payroll; and oversight over FTE records and procedures. Property inventory results for most schools/centers reported herein were satisfactory.

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 six schools/centers that report to the North Region Office, seven to the South Region Office, and 17 to the Central Region Office.

The 30 schools/centers comprise the audit results of 19 schools/centers with a two-fiscal year audit period ended June 30, 2015, and 11 schools/centers with a one-fiscal year audit period ended June 30, 2015. At 11 schools/centers, there was a change of Principal since the prior audit.

The audits disclosed that 28 of the 30 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The two schools/centers with audit findings and the affected areas are as follows:

School/Center Name	Region	No. Of Findings	Area Of Findings				
			Athletic Fund, Ticket Inventory & Activities	Disbursements	Fundraising Activities	Payroll	FTE
1. Miami Carol City Senior	North	1	1				
2. Jorge Mas Canosa Middle	South	4		1	1	1	1
Totals		5	1	1	1	1	1

As depicted in the table above, at two schools/centers, we cited deficiencies in the supervision over the school's Athletic Fund expenditures, the results of the athletic ticket inventory and staff's handling of athletic and fundraising activities; the monitoring over disbursements; the reporting and recording of payroll; and oversight over FTE records and procedures.

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 20-23. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 32-55); and in the Appendix section in memorandum format (Pages 64-73).

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 2013-2014 and/or 2014-2015 fiscal year(s), on the cash basis of accounting, depending on the school audited.

As of June 30, 2014, for 19 of the 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$3,828,542.49 and \$3,868,710.33, respectively; while total combined cash and investments amounted to \$836,393.39 (Pages 8-10). As of June 30, 2015, for all 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,316,365.42 and \$6,376,550.23, respectively; while total combined cash and investments amounted to \$1,522,296.00 (Pages 11-14).

Notwithstanding the conditions and findings reported herein, as of June 30, 2015, 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 Miami Carol City Senior, the audit disclosed many discrepancies in the financial activity reflected in the Internal Funds-Athletic Fund that was under the purview of Athletic Department staff. Specifically, the Athletic Fund operated in a deficit (due in part to excessive spending); game tickets and reports that were missing and a ticket inventory that was not ready for review; monetary shortfalls associated with fundraising activities; significant delays in the remittance of funds advanced to the former Athletic Business Manager to cover the payroll of staff working in athletic events; and disbursements for athletic gear and uniforms that were not properly authorized and that had not been paid. During the audit, the Principal appointed a new Athletic Director and a new Athletic Business Manager, and requested an investigation regarding the missing tickets¹ (Pages 32-39).

¹ MDCPS Police made inquiries regarding this matter; however, decided not to pursue the investigation.

- At Jorge Mas Canosa Middle, during the prior audit under the tenure of the former Principal and former Treasurer, this school was cited for significant non-compliance in the area of disbursements. Our audit follow-up in the area of disbursements, particularly those posted to certain accounts (which included the Internal Funds-Educational Excellence School Advisory Council (EESAC) account and the Internal Funds-Instructional Materials and Supplies (Fund 9) account), continued to disclose non-compliance with procedures specific to these accounts. We also noted certain non-compliance with general disbursement documentation procedures (Pages 40-45). Regarding our review of fundraising activities, we found that documentation supporting the activities was not properly completed or not prepared at all. During our review, we also noted that a sponsor did not follow the proper procedures for handling the collections; and in another instance, official receipts were not properly used to document sales from a fundraiser (Pages 46-48).

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 30 schools/centers.

At 30 schools/centers, Property Audits staff inventoried a total of 8,196 equipment items with a total approximate cost of \$22 million. Of the 30 inventories, 28 proved satisfactory. Results for the remaining two schools/centers disclosed that a total of four (4) equipment items with a total depreciated value of \$69 and a total acquisition cost of \$6,219 could not be located (refer to Property Schedules on Pages 28-30).

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 three (3) items with a total depreciated value of \$271 and a total acquisition cost of \$3,312 were reported missing at one of the 30 schools/centers. Items consisted of computer and audio visual equipment (Page 31).

PAYROLL

We reviewed current payroll records and procedures at the following 13 schools/centers:

Schools/Centers	Region	Schools/Centers	Region
Crestview Elementary ²	North	Redland Middle ²	South
Hialeah Gardens Elementary ²	North	Coral Reef Senior ²	South
Linda Lentin K-8 Center ²	North	Miami Killian Senior ²	South
Gulfstream Elementary ²	South	Dr. Rolando Espinosa K-8 Center ²	Central
Pinecrest Elementary ²	South	Shenandoah Middle ²	Central
Gateway Environmental K-8 Learning Center ²	South	Miami Coral Park Senior	Central
Jorge Mas Canosa Middle	South		

At 12 of the 13 schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

- At Jorge Mas Canosa Middle, a review of the payroll sign-in procedures corresponding to the payrolls in effect during the audit visit and review of selected payrolls disclosed discrepancies with the payroll reported and supporting documentation. Payroll reporting errors discovered during the audit that required payroll corrections were processed by the school at the request of the auditor. (Pages 49-52).

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
Hialeah Gardens Elementary	North	Holmes Elementary	Central
Rainbow Park Elementary	North	Liberty City Elementary	Central
Linda Lentin K-8 Center	North	Shadowlawn Elementary	Central
Miami Carol City Senior	North	Lenora B. Smith Elementary	Central
Jorge Mas Canosa Middle	South		

² Change of Principal at this school/center since prior audit (11 schools/centers).

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 four schools/centers were selected for these audits:

Schools/Centers	Region	Survey Period (SP)	FTE Funding
Hialeah Gardens Elementary	North	2014-2015 SP 3	\$ 2,805,869
Jorge Mas Canosa Middle	South	2014-2015 SP 3	4,455,437
Miami Killian Senior	South	2014-2015 SP 3	5,645,192
Earlington Heights Elementary	Central	2014-2015 SP 3	1,213,570
Total FTE Funding			\$ 14,120,068

The total FTE funding amounted to approximately \$14.1 million for the four schools/centers combined. FTE records reviewed corresponded to the 2014-2015 fiscal year Survey Period 3 (February 2015). Our FTE reviews disclosed that three of the four schools/centers were generally compliant with District policy.

- At Jorge Mas Canosa Middle, we found instances where documentation pertinent to *English Language Learners/Limited English Proficiency (ELL/LEP) student folders* was not properly completed, not evident in the files, or not printed in a timely manner. 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 (Pages 53-55).

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures was conducted at the following two schools/centers:

Schools/Centers	Region	Audit Period	Total Expenditures
Miami Carol City Senior	North	2014-2015	\$ 964,995
Maya Angelou Elementary	Central	2014-2015	393,491
Total Title I Program Expenditures			\$ 1,358,486

Aggregate expenditures incurred under various Title I programs for these two schools/centers amounted to approximately \$1.36 million. Results of our audit disclosed that both schools/centers were generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Minor discrepancies were discussed with the school administration for their information and corrective action.

DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following 11 schools/centers:

Schools/Centers	Region	Schools/Centers	Region
North Miami Elementary	North	Miami Killian Senior	South
Miami Carol City Senior	North	Miami Springs Elementary	Central
Pinecrest Elementary	South	Madison Middle	Central
Jorge Mas Canosa Middle	South	Law Enforcement Officers' Memorial High School	Central
Redland Middle	South	South Miami Senior	Central
Coral Reef Senior	South		

Our review disclosed that all 11 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, 2014 and/or June 30, 2015 (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, 2014**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2014 for 19 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 School/Center</u>										
7231	Miami Carol City Senior	\$ 159,091.25	\$ 425,406.65	\$ 480,010.88	\$ 104,487.02	\$ 28,654.86	\$ 75,832.16	\$ -	\$ -	\$ 104,487.02
<u>South Region Office Schools/Centers</u>										
6771	Jorge Mas Canosa Middle	34,473.44	589,674.72	578,354.43	45,793.73	35,685.74	10,107.99	-	-	45,793.73
6761	Redland Middle	39,552.54	43,389.88	52,183.48	30,758.94	3,648.81	18,641.29	8,468.84		30,758.94
<u>Central Region Office Schools/Centers</u>										
2761	Martin L. King, Jr. Primary Learning Center ^(a)	8,131.50	29.59	34.88	8,126.21	1,452.60	6,673.61	-	-	8,126.21
0111	Maya Angelou Elementary	10,051.50	32,192.20	32,743.66	9,500.04	5,496.04	4,004.00	-	-	9,500.04

Note:

(a) These are the last school audit results reported for this location. The internal funds' operational checking and investment money market accounts were closed effective May 31, 2015. The school's Instructional Materials and Supplies (Fund 9) advance for \$8,000 was returned to the District and leftover funds were deposited in the internal funds checking account of Liberty City Elementary School. During the audit period, this location operated under the supervision of Liberty City Elementary School's administration. At present, the center continues operating under the direction of the Principal from the elementary school. Refer to page 12 for information on the 2014-2015 fiscal year's final account balance.

**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	
1561	Earlington Heights Elementary	12,167.56	9,384.46	9,727.47	11,824.55	4,390.67	7,433.88	-	11,824.55
2351	Eneida M. Hartner Elementary	16,808.59	37,409.84	36,870.72	17,347.71	8,195.54	9,152.17	-	17,347.71
2501	Holmes Elementary	12,478.90	35,669.41	35,855.74	12,292.57	10,937.89	1,354.68	-	12,292.57
2981	Liberty City Elementary	5,958.50	18,492.43	20,455.32	3,995.61	3,094.68	900.93	-	3,995.61
3381	Miami Springs Elementary	12,738.54	180,696.51	180,093.11	13,341.94	8,154.01	5,187.93	-	13,341.94
4961	Shadowlawn Elementary	7,766.87	14,503.70	15,457.65	6,812.92	3,231.65	3,581.27	-	6,812.92
0081	Lenora B. Smith Elementary	11,922.28	7,857.65	7,056.64	12,723.29	7,461.69	5,261.60	-	12,723.29
1401	Charles R. Drew K-8 Center	7,770.96	26,315.09	26,051.73	8,034.32	1,766.27	6,268.05	-	8,034.32
0122	Dr. Rolando Espinosa K-8 Center	29,010.95	590,433.75	562,989.68	56,455.02	30,267.63	26,187.39	-	56,455.02
6391	Madison Middle	19,121.93	39,739.58	33,169.88	25,691.63	15,272.79	10,418.84	-	25,691.63

**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	
7033	Law Enforcement Officers' Memorial High School	26,865.03	90,336.07	93,808.69	23,392.41	18,305.40	5,087.01	-	23,392.41
7161	Maritime & Science Technology Academy	134,496.30	516,080.48	555,475.18	95,101.60	36,679.21	58,422.39	-	95,101.60
7271	Miami Coral Park Senior	173,406.05	535,575.81	541,839.52	167,142.34	27,729.06	139,413.28	-	167,142.34
7721	South Miami Senior	154,748.54	635,354.67	606,531.67	183,571.54	8,745.81	174,825.73	-	183,571.54
TOTALS		\$ 876,561.23	\$ 3,828,542.49	\$ 3,868,710.33	\$ 836,393.39	\$ 259,170.35	\$ 568,754.20	\$ 8,468.84	\$ 836,393.39

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2015 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>									
1161	Crestview Elementary	\$ 8,946.92	\$ 25,381.66	\$ 26,673.01	\$ 7,655.57	\$ 2,062.19	\$ 5,593.38	\$ -	\$ 7,655.57
2111	Hialeah Gardens Elementary	10,773.23	338,361.75	335,389.24	13,745.74	6,534.12	7,211.62	-	13,745.74
3941	North Miami Elementary	23,883.43	25,885.97	29,966.58	19,802.82	3,383.22	16,419.60	-	19,802.82
4541	Rainbow Park Elementary	11,239.40	37,458.40	39,148.79	9,549.01	6,592.85	2,956.16	-	9,549.01
2911	Linda Lentin K-8 Center	16,289.20	56,141.28	55,517.37	16,913.11	4,728.35	12,184.76	-	16,913.11
7231	Miami Carol City Senior	104,487.02	389,780.09	442,749.56	51,517.55	35,263.33	16,254.22	-	51,517.55
<u>South Region Office Schools/Centers</u>									
2321	Gulfstream Elementary	49,950.66	26,648.09	29,523.34	47,075.41	3,028.23	44,047.18	-	47,075.41

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
4421	Pinecrest Elementary	50,916.88	327,821.35	360,725.80	18,012.43	7,962.74	10,049.69	-	18,012.43
4031	Gateway Environmental K-8 Learning Center	16,633.22	230,952.38	229,236.09	18,349.51	8,174.09	10,175.42	-	18,349.51
6771	Jorge Mas Canosa Middle	45,793.73	380,498.05	379,328.84	46,962.94	36,791.63	10,171.31	-	46,962.94
6761	Redland Middle	30,758.94	44,405.89	47,604.43	27,560.40	3,334.09	15,744.76	8,481.55	27,560.40
7101	Coral Reef Senior	302,479.31	1,226,859.49	1,228,793.20	300,545.60	75,174.80	225,370.80	-	300,545.60
7361	Miami Killian Senior	224,852.31	568,037.98	564,702.26	228,188.03	14,494.05	213,693.98	-	228,188.03
<u>Central Region Office Schools/Centers</u>									
2761	Martin L. King, Jr. Primary Learning Center ^(a)	8,126.21	44.80	8,171.01	-	-	-	-	-
0111	Maya Angelou Elementary	9,500.04	32,054.70	32,068.87	9,485.87	2,448.62	7,037.25	-	9,485.87

Note:

(a) These are the last school audit results reported for this location. The internal funds' operational checking and investment money market accounts were closed effective May 31, 2015. The schools' Instructional Materials and Supplies (Fund 9) advance for \$8,000 was returned to the District and leftover funds were deposited in the internal funds checking account of Liberty City Elementary School. During the audit period, this location operated under the supervision of Liberty City Elementary School's administration. At present, the center continues operating under the direction of the Principal from the elementary school.

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
1561	Earlington Heights Elementary	11,824.55	10,410.36	10,845.19	11,389.72	3,909.27	7,480.45	-	11,389.72
2351	Eneida M. Hartner Elementary	17,347.71	16,195.62	15,506.24	18,037.09	8,827.59	9,209.50	-	18,037.09
2501	Holmes Elementary	12,292.57	18,132.03	21,304.67	9,119.93	7,758.21	1,361.72	-	9,119.93
2981	Liberty City Elementary	3,995.61	15,177.53	14,508.26	4,664.88	3,757.18	907.70	-	4,664.88
3381	Miami Springs Elementary	13,341.94	168,013.47	165,396.00	15,959.41	10,717.02	5,242.39	-	15,959.41
4961	Shadowlawn Elementary	6,812.92	17,409.02	17,345.48	6,876.46	3,272.75	3,603.71	-	6,876.46
0081	Lenora B. Smith Elementary	12,723.29	6,586.17	6,387.00	12,922.46	7,627.91	5,294.55	-	12,922.46
1401	Charles R. Drew K-8 Center	8,034.32	56,880.20	53,815.72	11,098.80	2,791.77	8,307.03	-	11,098.80
0122	Dr. Rolando Espinosa K-8 Center	56,455.02	540,921.47	541,136.95	56,239.54	29,888.11	26,351.43	-	56,239.54
6391	Madison Middle	25,691.63	31,658.21	39,859.04	17,490.80	13,007.88	4,482.92	-	17,490.80

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2015**

Work Loc. No.	Schools/Centers	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6841	Shenandoah Middle	30,122.86	83,987.96	82,556.37	31,554.45	7,955.34	23,599.11	-	31,554.45
7033	Law Enforcement Officers' Memorial High School	23,392.41	109,376.16	99,390.95	33,377.62	28,258.75	5,118.87	-	33,377.62
7161	Maritime & Science Technology Academy	95,101.60	422,018.84	412,635.87	104,484.57	45,696.24	58,788.33	-	104,484.57
7271	Miami Coral Park Senior	167,142.34	528,527.73	502,386.43	193,283.64	27,796.92	165,486.72	-	193,283.64
7721	South Miami Senior	183,571.54	580,738.77	583,877.67	180,432.64	14,509.33	165,923.31	-	180,432.64
TOTALS		\$ 1,582,480.81	\$ 6,316,365.42	\$ 6,376,550.23	\$ 1,522,296.00	\$ 425,746.58	\$ 1,088,067.87	\$ 8,481.55	\$ 1,522,296.00

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2014 AND/OR JUNE 30, 2015**

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 2013-2014 and/or 2014-2015 fiscal year(s), on the cash basis of accounting, depending on the school audited.

As of June 30, 2014, for 19 of the 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$3,828,542.49 and \$3,868,710.33, respectively; while total combined cash and investments amounted to \$836,393.39 (Pages 8-10). As of June 30, 2015, for all 30 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,316,365.42 and \$6,376,550.23, respectively; while total combined cash and investments amounted to \$1,522,296.00 (Pages 11-14).

Notwithstanding the conditions and findings reported herein, as of June 30, 2015, 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 two 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 School/Center</u>							
Miami Carol City Senior		✓			✓		Likely to impact.
<u>South Region Office School/Center</u>							
Jorge Mas Canosa Middle		✓			✓		Likely to impact.

INTERNAL CONTROLS RATING

The internal control ratings for the remaining 28 schools/centers reported herein **without audit exceptions** are depicted as follows:

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Crestview Elementary	✓			✓			Not Likely to impact.
Hialeah Gardens Elementary	✓			✓			Not Likely to impact.
North Miami Elementary	✓			✓			Not Likely to impact.
Rainbow Park Elementary	✓			✓			Not Likely to impact.
Linda Lentin K-8 Center	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Gulfstream Elementary	✓			✓			Not Likely to impact.
Pinecrest Elementary	✓			✓			Not Likely to impact.
Gateway Environmental K-8 Learning Center	✓			✓			Not Likely to impact.
Redland Middle	✓			✓			Not Likely to impact.
Coral Reef Senior	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Miami Killian Senior	✓			✓			Not Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Martin L. King, Jr. Primary Learning Center	✓			✓			Not Likely to impact.
Maya Angelou Elementary	✓			✓			Not Likely to impact.
Earlington Heights Elementary	✓			✓			Not Likely to impact.
Eneida M. Hartner Elementary	✓			✓			Not Likely to impact.
Holmes Elementary	✓			✓			Not Likely to impact.
Liberty City Elementary	✓			✓			Not Likely to impact.
Miami Springs Elementary	✓			✓			Not Likely to impact.
Shadowlawn Elementary	✓			✓			Not Likely to impact.
Lenora B. Smith Elementary	✓			✓			Not Likely to impact.
Charles R. Drew K-8 Center	✓			✓			Not Likely to impact.
Dr. Rolando Espinosa K-8 Center	✓			✓			Not Likely to impact.

INTERNAL CONTROLS RATING

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Madison Middle	✓			✓			Not Likely to impact.
Shenandoah Middle	✓			✓			Not Likely to impact.
Law Enforcement Officers' Memorial High School	✓			✓			Not Likely to impact.
Maritime & Science Technology Academy	✓			✓			Not Likely to impact.
Miami Coral Park Senior	✓			✓			Not Likely to impact.
South Miami Senior	✓			✓			Not Likely to impact.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Total Per School/Center	Area Of Findings	Total Per School/Center	Area Of Findings
<u>North Region Office School/Center</u>					
7231	Miami Carol City Senior ^(a)	1	<ul style="list-style-type: none"> ▪ Athletic Fund/Athletic Ticket Inventories/Athletic Expenditures 	3	<ul style="list-style-type: none"> ▪ P. E. Uniform/Locks Sales ▪ FTE (ESOL, SPED and OJT) ▪ Property Management
<u>South Region Office School/Center</u>					
6771	Jorge Mas Canosa Middle ^(b)	4	<ul style="list-style-type: none"> ▪ Disbursements (Internal Funds) ▪ Fundraising Activities ▪ Payroll ▪ FTE (ESOL) 	2	<ul style="list-style-type: none"> ▪ Questionable Bookkeeping/Disbursements (Int. Funds/P-Card) ▪ Fundraising Activities
TOTAL		5		5	

Notes:

(a) Findings took place under same school administration during prior and current audit periods.

(b) Findings from prior audit period happened under tenure of former school administration/former treasurer.

SUMMARY SCHEDULE OF AUDIT FINDINGS CURRENT AND PRIOR AUDIT PERIODS

Summary of findings of the remaining 28 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Total Per School/Center	Area Of Findings	Total Per School/Center	Area Of Findings
<u>North Region Office Schools/Centers</u>					
1161	Crestview Elementary	None		None	
2111	Hialeah Gardens Elementary	None		None	
3941	North Miami Elementary	None		None	
4541	Rainbow Park Elementary	None		None	
2911	Linda Lentin K-8 Center	None		1	▪ P-Card
<u>South Region Office Schools/Centers</u>					
2321	Gulfstream Elementary	None		None	
4421	Pincrest Elementary	None		None	
4031	Gateway Environmental K-8 Learning Center	None		None	
6761	Redland Middle	None		None	
7101	Coral Reef Senior	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Total Per School/Center	Area Of Findings	Total Per School/Center	Area Of Findings
7361	Miami Killian Senior	None		None	
<u>Central Region Office Schools/Centers</u>					
2761	Martin L. King, Jr. Primary Learning Center	None		None	
0111	Maya Angelou Elementary	None		None	
1561	Earlington Heights Elementary	None		None	
2351	Eneida M. Hartner Elementary	None		None	
2501	Holmes Elementary	None		None	
2981	Liberty City Elementary	None		None	
3381	Miami Springs Elementary	None		None	
4961	Shadowlawn Elementary	None		None	
0081	Lenora B. Smith Elementary	None		None	
1401	Charles R. Drew K-8 Center	None		None	
0122	Dr. Rolando Espinosa K-8 Center	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Total Per School/Center	Area Of Findings	Total Per School/Center	Area Of Findings
6391	Madison Middle	None		None	
6841	Shenandoah Middle	None		1	▪ Property Management
7033	Law Enforcement Officers' Memorial High School	None		None	
7161	Maritime & Science Technology Academy	None		None	
7271	Miami Coral Park Senior	None		None	
7721	South Miami Senior	None		None	
TOTAL		None		2	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the two 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.**

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office School/Center</u>			
7231	Miami Carol City Senior	Mr. Ja Marv R. Dunn	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office School/Center</u>			
6771	Jorge Mas Canosa Middle	Mr. Elio Falcon, Jr.	N/A = No Change of Principal Since Prior Audit.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the remaining 28 schools/centers **without audit exceptions**. **The highlighted table cell represents the principal(s)/administrator(s) in charge of the school/center during the audit period:**

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
1161	Crestview Elementary ^(a)	Ms. Maria V. Kerr	Ms. Sabrina J. Montilla (Through January 2016; retired).
2111	Hialeah Gardens Elementary ^(a)	Ms. Rachel B. Autler	Mr. Rouben J. Yaghdjian (Through June 2015; presently Administrative Director, Professional Development).
3941	North Miami Elementary	Ms. Debra L. Dubin	N/A = No Change of Principal Since Prior Audit.
4541	Rainbow Park Elementary	Ms. Robin T. Armstrong	N/A = No Change of Principal Since Prior Audit.
2911	Linda Lentin K-8 Center ^(a)	Ms. Monefe M. Young	Ms. Agenoria T. Powell (Through December 2014; retired).
<u>South Region Office Schools/Centers</u>			
2321	Gulfstream Elementary ^(a)	Ms. Maritza M. Garcia	Ms. Concepcion C. Santana (Through June 2015; presently Principal at Norma Butler Bossard Elementary School).
4421	Pinecrest Elementary ^(a)	Ms. Lynn M. Zaldua	Ms. Marisol Diaz (Through June 2015; presently Administrative Director, Early Childhood Programs).
4031	Gateway Environmental K-8 Learning Center ^(a)	Ms. Tiffany D. Anderson	Mr. Lucas J. De La Torre (Through June 2015; presently Principal at Cutler Bay Senior High School).

Note:

(a) Change of Principal/Administrator at this school since prior audit (11 schools/centers).

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
6761	Redland Middle ^(a)	Mr. Gregory A. Beckford	Mr. Charles E. Hankerson (Through September 2015; presently Vocational Teacher at Miami Lakes Educational Center and Technical College).
7101	Coral Reef Senior ^(a)	Mr. Thomas P. Ennis	Ms. Adrienne F. Leal (Through May 2015; retired).
7361	Miami Killian Senior ^(a)	Ms. Magda R. Pereira	Mr. Thomas P. Ennis (Through May 2015; presently Principal at Coral Reef Senior High School).
<u>Central Region Office Schools/Centers</u>			
2761	Martin L. King, Jr. Primary Learning Center ^(b)	Dr. Orna L. Campbell-Dumeus	N/A = No Change of Principal Since Prior Audit.
0111	Maya Angelou Elementary	Ms. Adrena Y. Williams	N/A = No Change of Principal Since Prior Audit.
1561	Earlington Heights Elementary	Ms. Linette Tellez	N/A = No Change of Principal Since Prior Audit.
2351	Eneida M. Hartner Elementary	Dr. Derick R. McKoy	N/A = No Change of Principal Since Prior Audit.
2501	Holmes Elementary	Dr. Yvonne D. Perry	N/A = No Change of Principal Since Prior Audit.
2981	Liberty City Elementary	Dr. Orna L. Campbell-Dumeus	N/A = No Change of Principal Since Prior Audit.
3381	Miami Springs Elementary	Ms. Sally M. Hutchings	N/A = No Change of Principal Since Prior Audit.
4961	Shadowlawn Elementary	Ms. Gwendolyn Haynes	N/A = No Change of Principal Since Prior Audit.
0081	Lenora B. Smith Elementary	Dr. Contessa S. Bryant	N/A = No Change of Principal Since Prior Audit.
1401	Charles R. Drew K-8 Center	Ms. Tracie N. Abner	N/A = No Change of Principal Since Prior Audit.

Notes:

(a) Change of Principal/Administrator at this school since prior audit (11 schools/centers).

(b) Last internal funds audit at this location since account closed effective May 2015. This Primary Learning Center continues operations and reports to Liberty City Elementary School under the direction of the elementary school's Principal.

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
0122	Dr. Rolando Espinosa K-8 Center ^(a)	Ms. Martha M. Muñoz	Ms. Marie P. Caceres (Through June 2015; retired).
6391	Madison Middle	Mr. Uwezo B. Frazier	N/A = No Change of Principal Since Prior Audit.
6841	Shenandoah Middle ^(a)	Ms. Bianca M. Calzadilla	Mr. Humberto J. Miret (Through July 2015; presently Principal at Miami Southridge Senior High School).
7033	Law Enforcement Officers' Memorial High School	Mr. Christopher J. Shinn	N/A = No Change of Principal Since Prior Audit.
7161	Maritime & Science Technology Academy	Ms. Josephine Otero	N/A = No Change of Principal Since Prior Audit.
7271	Miami Coral Park Senior	Ms. Alicia Hidalgo	N/A = No Change of Principal Since Prior Audit.
7721	South Miami Senior	Mr. Gilberto D. Bonce	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Administrator at this school since prior audit (11 schools/centers).

PROPERTY SCHEDULES

The results of the property inventories of the 30 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>								
1161	Crestview Elementary	152	\$ 343,221	-	\$ -	\$ -	-	\$ -
2111	Hialeah Gardens Elementary	150	337,155	-	-	-	-	-
3941	North Miami Elementary	172	369,741	-	-	-	-	-
4541	Rainbow Park Elementary	134	287,174	-	-	-	-	-
2911	Linda Lentin K-8 Center	283	623,603	1	2,645	69	-	-
7231	Miami Carol City Senior	753	2,661,769	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
2321	Gulfstream Elementary	178	369,620	-	-	-	-	-
4421	Pinecrest Elementary	134	291,654	-	-	-	-	-
4031	Gateway Environmental K-8 Learning Center	212	633,577	-	-	-	-	-
6771	Jorge Mas Canosa Middle	331	744,495	-	-	-	-	-
6761	Redland Middle	317	667,189	3	3,574	0	-	-
7101	Coral Reef Senior	828	2,177,720	-	-	-	-	-

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		
7361	Miami Killian Senior	470	1,391,930	-	-	-	-	-
<u>Central Region Office Schools/Centers</u>								
2761	Martin L. King, Jr. Primary Learning Center	60	146,219	-	-	-	-	-
0111	Maya Angelou Elementary	195	357,338	-	-	-	-	-
1561	Earlington Heights Elementary	175	329,917	-	-	-	2	2,008
2351	Eneida M. Hartner Elementary	126	368,267	-	-	-	-	-
2501	Holmes Elementary	123	360,831	-	-	-	2	2,508
2981	Liberty City Elementary	126	299,545	-	-	-	-	-
3381	Miami Springs Elementary	118	235,917	-	-	-	-	-
4961	Shadowlawn Elementary	126	305,298	-	-	-	-	-
0081	Lenora B. Smith Elementary	121	311,647	-	-	-	-	-
1401	Charles R. Drew K-8 Center	209	487,915	-	-	-	-	-
0122	Dr. Rolando Espinosa K-8 Center	203	756,622	-	-	-	-	-
6391	Madison Middle	182	442,336	-	-	-	-	-
6841	Shenandoah Middle	385	722,301	-	-	-	10	13,056

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		
7033	Law Enforcement Officers' Memorial High School	107	289,109	-	-	-	-	-
7161	Maritime & Science Technology Academy	414	1,365,893	-	-	-	-	-
7271	Miami Coral Park Senior	872	2,936,354	-	-	-	2	\$ 3,135
7721	South Miami Senior	540	1,352,779	-	-	-	-	-
TOTAL		8,196	\$ 21,967,136	4	\$ 6,219	\$ 69	16	\$ 20,707

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
					Computers	Audio Visual	
7231	Miami Carol City Senior	1	3	\$ 3,312	\$ 2,162	\$ 1,150	\$ 271
TOTAL		1	3	\$ 3,312	\$ 2,162	\$ 1,150	\$ 271

FINDINGS AND RECOMMENDATIONS

1. **Athletic Fund Deficit, Discrepancies With Year-End Athletic Ticket Inventory And Other Non-Compliant Issues Related To Athletic Fund *Miami Carol City Senior***

The *Interscholastic Athletic Manual* establishes the procedures to account for the athletic admission tickets, and to document via game reports the income and expenses associated with these athletic games. According to the procedures, an inventory of tickets must be conducted at year-end and a game report must be completed for every athletic game. Regarding the procedures to account for the activities associated with athletic games, Section III, Chapter 1 of the *Manual of Internal Fund Accounting* establishes that the Athletic Business Manager is ultimately responsible for records and reports related to the business activities of the athletic program.

In terms of the overall financial activity of the Athletic Fund, according to Section III, Chapter 1 of the *Manual*, the school must not end the fiscal year with a negative overall balance in the Athletic Program. In support of athletic activities, Section IV, Chapter 11 states that commissions from vending machines that dispense food and/or beverage items in areas accessible to students may be used at the discretion of the Principal to support general athletics and general student activities. Furthermore, transfers of funds from other accounts to the Athletic Fund are allowed, *as long as the fundraising efforts reflected in those accounts were intended to subsidize athletic activities*. However, regarding transfers of funds from other accounts not related to athletic activities, pursuant to guidelines in Section III, Chapters 3 and 4 of the *Manual*, the school *is not allowed to transfer funds from inactive/dormant accounts to the Athletics Fund but to the General Fund-Miscellaneous account for the general purpose of the school*.

At this school, the audit disclosed many discrepancies in the financial activity reflected in the Internal Funds-Athletic Fund that was under the purview of Athletic Department staff. The most significant included an Athletic Fund that operated in a deficit (due in part to excessive spending); game tickets and reports that were missing and a ticket inventory that was not ready for review; monetary shortfalls associated with fundraising activities; significant delays in the remittance of funds advanced to the Athletic Business Manager to cover the payroll of staff working in athletic events; and disbursements for athletic gear and uniforms that were not properly authorized and that had not been paid. As of the end of the audit, the Principal has appointed a new Athletic Director and a new

Athletic Business Manager, and has requested an investigation regarding the missing tickets³. Details follow:

- 1.1. At June 30, 2015, the Athletic Fund closed the year with a deficit balance of approximately \$(15,750). However, before the closing of the year, we noted that the school had inappropriately transferred approximately \$11,780 from several Classes and Clubs accounts and the Trust Fund-Library account to cover part of the deficit. Had these transfers not taken place, the deficit balance would have been approximately \$(27,530) at the end of the year. At our request, during the audit, the school reversed these transactions to return the funds to the appropriate accounts. Prior to the reversal of funds, at the start of the audit visit, the Athletic Fund had operated in a deficit.

Regarding the prior year, the Athletic Fund closed with a balance of approximately \$30. It would have similarly closed the year with a deficit, had it not been for transfers totaling almost \$8,900, of which almost \$8,500 represented revenues posted to the General Fund-Vending Commissions.

As part of the audit process at the senior high schools, right at the conclusion of the fiscal year, but before the start of athletic activity for the coming year, on a selected basis, we verify the athletic ticket inventory, game reports, and monies posted in the system and deposited in the checking account, to ensure that all revenues raised from the sale of athletic tickets have been properly deposited in the accounts. This school was selected for the ticket audit, and our review of the inventory and game reports disclosed the following discrepancies:

- 1.2. Our verification of the inventory of athletic tickets (approximately 45,400) not only disclosed a number of errors in the beginning and ending inventory reports, but also disclosed that approximately 8,200 tickets with a total value of approximately \$37,700 could not be accounted for. According to the former Athletic Business Manager, on August 14, 2015, only a few days prior to our initial visit, she had discovered that a box said to contain rolls of tickets with an undisclosed dollar value was missing from her office.
- 1.3. The athletic ticket inventory report for the 2014-2015 fiscal year and the corresponding game reports were not completed as of the day of the visit, *although this visit had been scheduled in advance (to accommodate staff's vacation schedule) and with ample notice to Athletic Department staff.*
- 1.4. In two instances, the portion of football game losses shared with two opponent schools totaled approximately \$1,690; however, the corresponding payments from the opponent schools had not been received; and there was no follow-up on

³ MDCPS Police made inquiries regarding this matter; however, decided not to pursue the investigation.

file to indicate that the former Athletic Business Manager had contacted the schools to request payment. At our request, the schools were contacted for these outstanding payments.

The individual game reports provide a detail of ticket sales revenues, game-related expenditures, a reconciliation of game profits and losses. Game related expenditures list total amounts paid for those individuals involved with ticket taking, security, timekeeping, and similar game-related tasks. These “game payroll” expenditures are directly handled by the Athletic Business Manager. Procedurally, the school writes a check to the Athletic Business Manager for the approximate amount of the expenditures. The Athletic Business Manager cashes the check to disburse the funds to the workers. The disbursement of funds is documented in an official form titled *Division of School Athletics and Activities Payroll Report-By Cash* [FM-0523]. Name and signatures of workers receiving payment must be documented as well as payment received, which could range between \$25 and \$45, individually. Any funds not spent or unused are returned to the school *upon completion of the game*. Our review of game reports and advance game payroll checks and supporting documentation disclosed that:

- 1.5. Game-related payroll expenditures comprising the cash payments made to workers responsible for ticket-taking, security, etc., at games totaled approximately \$11,900 for the 2014-2015 fiscal year. In several occasions, the number of workers ranged from five to almost 20. Compared to the revenues raised, we considered that the size of this payroll for the most part was excessive. In addition, several payroll documents listed names of individuals whose signatures were questionable.
- 1.6. We reviewed the payments issued to the former Athletic Business Manager to pay for the payroll of athletic events and noticed three separate instances where she had not returned the unused funds in a timely manner. Specifically, advances of \$900, \$100, and \$720 issued to the former Athletic Business Manager were withheld from deposit between three and almost 11 months from the time that funds were initially issued. Some of these monies were turned in around the time of the audit visit. According to documentation provided by the Treasurer, she had requested return of these funds prior to our visit.

Other non-compliant issues noted during our review of the Athletic Fund activity included the following:

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the policies and procedures for making disbursements. According to these procedures, a disbursement of \$100 or more requires a completed *Internal Fund Purchase Order* (FM-1012) to initiate and approve the purchase. According to the *Manual*, purchases made in violation of this policy will be considered unauthorized and will become the sole responsibility of the person making the purchase. In addition, pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000,

at least three (3) written quotations must be solicited. One of these quotations **must** be from a certified minority enterprise. However, we found that:

- 1.7. Three invoices totaling approximately \$5,500 for track and field uniforms ordered in April 2015 and received by the school in September 2015 (according to the signature of the former Athletic Director on the corresponding invoices) had not been paid at the time of the audit visit. We noted that properly authorized purchase orders were not on file authorizing any of these purchases; however, the school had accepted the merchandise and the students were in possession of the uniforms. We recommended the Principal to contact the vendor and the School Board Attorney's Office not only to draft an action plan addressing payment of the debt, but to discuss the feasibility of recouping funds from staff responsible for placing the orders without approval. In addition, vendor quotes were not on file.

Similarly, an outstanding payment for \$23,560 for football equipment and helmet reconditioning for both fiscal years had not been paid at the time of the audit. Similarly, we could not find purchase orders approving these expenditures. As of the date of this report, approximately \$9,900 of this outstanding balance has been paid.

During the past audit, we discussed the matter of late payments and the requirement for issuing purchase orders with the school.

- 1.8. Fundraising activities were inappropriately posted to the General-Athletics account. A fundraiser for the sale of candy disclosed a shortfall of approximately \$2,000, of which approximately \$1,900 was attributed to collections not returned by students and recorded as student obligations. In addition, the corresponding Student Activity Operating Report was incomplete.
- 1.9. We noted a receipt of approximately \$100 that represented a royalty payment from a vendor. According to documentation on file, the royalty payment stemmed from an "agreement" signed by the former Athletic Director with a merchandising vendor. According to the "agreement", the vendor was authorized to print the school's name and/or logo(s) in merchandise for sale to the public. During our initial visit in August 2015, the school had received a second payment of approximately \$20. We referred this matter to the attention of the School Board Attorney's Office for their follow-up since according to the *District's Pilot Trademark and Licensing Program* the use of the school's name and logo in this manner may constitute trademark infringement.

- 1.10. For the 2013-2014 fiscal year, the school had received a payment of approximately \$4,560 from a construction company. These funds were intended to assist with the transportation of students to practice and play home games associated with the softball and baseball fields, since the fields were pending release⁴ from the construction company and could not be used by the students. We calculated that related traveling costs totaled \$7,485 for both fiscal years. We referred this matter to the District's Office of Capital Improvement Projects to request their assistance with recovery of \$2,925 from the construction company. This additional payment would assist the school with the student transportation expenses incurred in 2014-2015.

RECOMMENDATIONS

- 1.1. **Review with Athletic Department staff the procedures regarding the preparation of the athletic ticket inventory, the reconciliation of ticket sales, and the preparation of game reports for awareness and understanding of the guidelines.**
- 1.2. **Periodically review the game reports and ticket sales to ensure compliance with the procedures.**
- 1.3. **Assess the expenditures associated with game payroll and consider curtailing.**
- 1.4. **Contact vendors to resolve the matter of outstanding invoices.**
- 1.5. **Monitor expenditures charged to the Athletic Fund to prevent overspending and consider fundraising activities to periodically correct the deficit.**
- 1.6. **Discuss with Athletic Department staff that under no circumstances orders are to be placed with vendors without a properly approved purchase order. In addition, quotes, as needed, will be required before approving any potential purchase.**

⁴ At present, the fields have been released for school use.

Person(s) Responsible:

**Principal, Assistant Principal,
Athletic Business Manager,
Athletic Director, Treasurer**

Management Response:

The Principal reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* with the Assistant Principal, Athletic Director, Athletic Business Manager and Treasurer to ensure their understanding and responsibilities regarding Athletic funds, ticket inventory, reconciliation of ticket sales and game report preparation procedures.

In addition to the Principal making personnel changes, the Principal has assigned the assistant principal to review game reports and ticket sales on a weekly basis with the Athletic Director, Athletic Business Manager and Treasurer.

The Principal contacted the vendors and resolved the matter of outstanding invoices by informing them that the GMAC Office will assist with payment to cover all outstanding payments.

The Principal reviewed the *Interscholastic Athletic Manual* with the Assistant Principal, Athletic Director, Athletic Business Manager and Treasurer to ensure game payrolls were curtailed and the number of staff hired for games was in proportion to revenues raised and actual need and in keeping with safety as the top priority.

The Principal and Athletic Director collaborated with the GMAC Office to request and secure a loan from the Dade County Athletic Equalization Fund to resolve all outstanding invoices stemming from the 2014-2015 fiscal year.

The Principal has established and strengthened policies and procedures for a solid check and balance system. He conducts scheduled bi-weekly meetings with aforementioned parties to review all Athletic expenditures, balances, purchase orders, fundraising activities and game reports.

The Principal coordinated Internal Funds training for the Athletic Coaches, Athletic Business Manager, Athletic Director, and Assistant Principal by the Auditor and District Athletic personnel during the month of December.

Lastly, the Principal directed the Athletic Department to cease and desist placing orders with vendors without a quote, as needed or without a properly approved purchase order.

Person(s) Responsible:

North Region Office Administration

Management Response:

The North Region Center Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor to ensure compliance with Athletic Funds. The Principal will thoroughly review the *Manual of Internal Fund Accounting* and the *Interscholastic Athletic Manual* with the Assistant Principal, Treasurer, the newly appointed Athletic Director and the newly appointed Athletic Business Manager.

The Principal has been instructed to identify a school administrator to oversee the daily operations of the Athletic Department to ensure staff are well-trained to thoroughly understand the procedures regarding the following: preparation of athletic ticket inventory, reconciliation of ticket sales, preparation of game reports, maintaining a balanced budget, and securing purchase orders and quotes prior to placing orders with vendors.

Also, the Principal has been instructed to ensure that the Athletic Department staff assess and curtail expenditures associated with game payroll while keeping safety and security at the forefront. The Assistant Principal will meet regularly with staff to ensure guidelines are followed. Also, the Principal has been instructed to meet with the Assistant Principal on as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal has been instructed to confer with the GMAC office to ensure that a loan is secured from the Dade County Athletic Equalization Fund to resolve outstanding invoices and that all payments are made according to the three year schedule.

Furthermore, the Principal has been instructed to attend School Operation's Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

Person(s) Responsible:

School Operations Administration

Management Response:

School Operations has reviewed the audit exceptions cited in the 2013-2014 and 2014-2015 fiscal year(s) audit reports of the following schools reporting to the North and South Region Offices: Miami Carol City Senior High and Jorge Mas Canosa Middle School. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Director on periodic basis mini-reviews to ensure that collections are properly receipted, documented, and timely deposited. 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;
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through Money DOES Matter Support Program; and
- School Operations in collaboration with the Region Office will continue to provide support to the school by assigning a Fiscal Review Team to conduct financial reviews, periodically.

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

**2. Inadequate Controls
Over Purchases
Resulted In
Non-Compliance
With Purchasing
Requirements And
Incomplete Documentation
*Jorge Mas Canosa Middle***

During the prior audit under the tenure of the former Principal and former Treasurer, this school was cited for significant non-compliance in the area of disbursements. Our audit follow-up in the area of disbursements, particularly those posted to certain accounts (which included the Internal Funds-Educational Excellence School Advisory Council (EESAC) account and the Internal Funds-Instructional Materials and Supplies (Fund 9) account), continued to disclose non-compliance with procedures specific to these accounts. We also noted certain non-compliance with general disbursement documentation procedures. Details follow:

Educational Excellence School Advisory Council (EESAC)

The Miami-Dade County's *Educational Excellence School Advisory Council (EESAC) Resource Guide* addresses the fiscal responsibility of the EESAC Committee. Specifically, this document refers to the guidelines issued by the Controller for Miami-Dade County Public Schools regarding the use of EESAC funds for making small purchases through the school's internal fund. According to the memorandum from the Office of the Controller issued back in October 2011 and later on October 23, 2014, internal funds purchases made with EESAC funds are limited to *small food purchases and incentives otherwise not allowed through the school's Instructional Materials and Supplies (Fund 9)⁵ account, the P-Card or the District's purchasing guidelines*. Pursuant to the memorandum, the amount to be accessed through internal funds for these small purchases is a single yearly transaction limited to \$2,999 per fiscal year.

According to general procedure, any purchases made with EESAC funds, whether through internal funds, purchasing credit card (P-Card), or the District's regular procurement channel, *must be properly approved by the school's EESAC Committee*.

For the 2014-2015 fiscal year, EESAC funds identified for this school amounted to approximately \$12,610. Of this total, the school spent approximately \$11,190 and

⁵ To increase purchasing flexibility at the schools, the District allows schools to transfer specified amounts of their allocated tax dollar budget funds to internal funds to purchase instructional materials and educational support supplies. Funds are placed in a specific internal funds account customarily referred to as "Fund 9". EESAC funds can be accessed via the Fund 9 mechanism. Once funds are brought into the internal funds of the school, they are placed in a Trust Fund account for spending. Monies not spent by year-end must be transferred back to the District.

closed the year with a balance of \$1,420. During the 2013-2014 fiscal year, EESAC funds amounted to approximately \$11,890. Of this total, the school spent approximately \$10,190 and closed the year with a balance of approximately \$1,700, which carried over to the next year. Our audit follow-up of expenditures charged to the District's EESAC account disclosed the following discrepancies:

- 2.1. Pursuant to EESAC Committee minutes detailing the amounts approved by the Committee for spending from the EESAC account, we determined that approximately \$3,170 in expenditures incurred and charged to the District's EESAC account were not expressly approved by the Committee. Of this amount, expenditures totaling approximately \$1,430 included the purchase of chess boards, trophies for the Magnet program, and a partial payment for the venue for the 8th Grade Prom, which were not reflected in the minutes listing the projects and budgeted amounts discussed and approved by the Committee. The remainder represented expenditures for projects approved by the Committee; however, the amounts spent on these projects *exceeded* amounts budgeted and approved.
- 2.2. A similar condition was noted for the 2013-2014 fiscal year, where the school spent approximately \$1,980 EESAC funds for expenditures not approved according to EESAC Committee minutes. The expenditures corresponded to test materials obtained for the Magnet program totaling approximately \$1,550. The remainder was spent on a project approved by the Committee; however, the total amount spent exceeded the amount budgeted and approved pursuant to Committee minutes. In addition, \$1,990 of funds approved for the Music Department were spent subsequent to the March 14, 2014 deadline stipulated in the EESAC Committee minutes.

Instructional Materials and Supplies (Fund 9) Account

According to Chapter III, Section 9 of the *Manual of Internal Fund Accounting*, the Instructional Materials and Supplies account must be replenished throughout the year once total expenditures reach 25% of the established amount⁶, or \$3,750. All Fund 9 expenditures must be reported by June 30, regardless of the amount spent. However, we found that:

- 2.3. During the 2013-2014 and 2014-2015 fiscal years, the school was unable to replenish the Fund 9 account in a timely manner. This condition was highly prevalent during February 2015, where Fund 9 expenditures outstanding replenishment totaled approximately \$12,000 of the \$15,000 Fund 9 established amount. By June 30, 2015, the school was able to "catch up" and fully replenish the Fund 9 account. However, in order to "catch-up" and close the account fully

⁶ At middle schools, the established amount is \$15,000.

replenished, expenditures initially posted to the Fund 9 account *were modified and posted to other accounts*, including accounts within the Internal Funds-General Fund. Consequently, this re-routing of expenditures caused the Internal Funds-General Fund to close the 2014-2015 year with a deficit balance of approximately \$(3,000)⁷. The school administration acknowledged that funds were not available in the District's budgetary accounts to be able replenish the Fund 9 account periodically and resulted in the General Fund closing the year with a deficit balance.

- 2.4. After our prior audit's exit conference in February 2014, we continued to identify a few expenditures for food items such as donuts, granola bars, coffee, ice cream, candy and similar snacks improperly charged to the Fund 9 account (since food items are not allowed to be charged to this account); however, amounts were minimal.

General Disbursement Documentation Procedures

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the policies and procedures for making disbursements. According to these procedures, a disbursement of \$100 or more requires a completed *Internal Fund Purchase Order* (FM-1012) to initiate and approve the purchase. Part of the disbursement documentation includes a properly completed check requisition, which must include all pertinent information (i.e., account structure, date, amount to be paid and signatures). The invoice supporting the disbursement must be signed to indicate that goods/services have been received and payment is in order, and properly completed *Check Requisition Form* (FM-0992), including all signatures. In addition, pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations **must** be from a certified minority enterprise.

Our review of a random sample of 12 disbursements for the two-year audit period disclosed the following discrepancies:

- 2.5. In all 12 instances, school staff was not processing an Internal Funds Purchase Order for expenditures of \$100 or more in the computer system.
- 2.6. Five of the 12 check requisitions were incomplete, missing important information such as Account Name, Program/Function, and Account Description. We noted this condition in other check requisitions reviewed during the audit.

⁷ Pursuant to Section III, Chapter 8 of the *Manual of Internal Fund Accounting*, schools must not end the fiscal year with a negative overall balance in the General Fund.

- 2.7. In nine of the 12 instances sampled, the invoice/receipt supporting the disbursement did not reflect acknowledgement of receipt of goods. We similarly noted this condition in other requisitions reviewed during the audit.
- 2.8. In two instances in 2013-2014, individual purchases of \$1,000 or more were not documented with the required three written quotations (including one from a certified minority enterprise). In one other instance, the vendor selected was not the lowest quotation.

Other Documentation Procedures Related to Disbursements

Section II, Chapter 5 of the *Manual of Internal Fund Accounting* requires that checks issued bear two signatures, one being that of the principal or his/her designated administrator and the second being that of the treasurer or authorized clerical designee. We recommend compliance with established procedures.

- 2.9. Regarding canceled checks, the school was not receiving check images from January 2014 up to February 2015. They were obtained from the bank at the request of the auditor. Our review of the cancelled checks for the 2013-2014 and 2014-2015 fiscal years disclosed that six checks totaling approximately \$9,330 were cashed by the bank, although they contained only one of the two required signatures. We reviewed the related documentation and noted the expenditures appeared proper.

RECOMMENDATIONS

- 2.1. Discuss disbursement procedures with staff for understanding and awareness of the requirements. This also includes the procedures for documenting the disbursements.**
- 2.2. Discuss the disbursement procedures with the Treasurer to ensure understanding of the expectations of the job.**
- 2.3. Designate an administrator to review the disbursements on a periodic basis to ensure that disbursements are properly documented, approved with purchase orders, from accounts holding sufficient funds, and posted to the correct accounts.**
- 2.4. Ensure that purchase orders for individual purchases of \$100 or more are posted in the system, and that invoices are signed for acknowledgment of receipt of goods.**
- 2.5. Monitor the Fund 9 account disbursements and ensure that disbursements are approved provided funds are available and allowable under this particular account's guidelines.**

- 2.6. We recommend that profits from the School Pictures and Vending Machine accounts not be transferred to other accounts until the General Fund attains a positive balance.
- 2.7. Ensure that disbursements charged to the EESAC account are within budgeted amounts approved by the EESAC Committee, and any changes to budgeted amounts be approved by the entire Committee and reflected in the minutes.
- 2.8. Ensure that all checks are properly signed before mailing to vendors or making payment.
- 2.9. Meet with the administrator on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.

Person(s) Responsible:

**Principal, Assistant Principal,
Treasurer and EESAC Chairperson**

Management Response:

A training session was conducted on August 21, 2015, during the Opening of School Meeting whereby district policies and procedures were once again addressed, including but not limited to, the documenting of all disbursements. Principal has reviewed with Treasurer at length, all procedures according to the Manual of Internal Funds Accounting to ensure her understanding of the expectations of her job. Together with the Principal and Treasurer, an Assistant Principal is assigned to review all disbursements on a periodic basis to ascertain that everything is properly documented according to procedures.

Staff was informed on January 12, 2016 of the requirement to obtain three (3) written quotes prior to making purchases of \$1,000 or more but less than \$50,000. Staff was reminded that before making any purchases they must first obtain the proper authorization from the Treasurer and Principal in order to ensure that district mandates are followed.

Fund 9 is being monitored very closely by the Principal, Assistant Principal and Treasurer to ensure that program guidelines are adhered to and only authorized transactions will be processed by Treasurer making sure that funds are available at all times. The Treasurer was instructed to post all disbursements in the system in a timely manner.

EESAC activities will be closely monitored by the Principal, EESAC Chairperson, Assistant Principal and Treasurer to ensure that all transactions mirror the approved

minutes and if at any point changes need to be made, an emergency meeting will be called to get the committee's approval and recorded in the minutes before anything is processed.

The Principal, Assistant Principal and Treasurer will ascertain that all checks have been duly signed before making a payment.

The Principal and the Treasurer will meet regularly to review all of the above and to immediately correct any discrepancies that may arise.

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

Management Response:

The South Region Center Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer to thoroughly review the Miami-Dade County's *Educational Excellence School Advisory Council (EESAC) Resource Guide*, and Section II of the Manual of Internal Fund Accounting to ensure compliance with the respective policies and procedures.

The Financial/Business Operations Director directed the Principal to develop a system for the monitoring of disbursements to ensure that disbursements made are in accordance with proper procedures.

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

Management Response:

Refer to page 39 of this report and page 73 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

**3. Fundraising Activities
Non-Compliant
With Guidelines
*Jorge Mas Canosa Middle***

Procedures in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* require that a Student Activity Operating Report [FM-0996] be prepared at the completion of the activity summarizing all the associated financial transactions. In addition, the school must maintain an accurate Fundraising Activity Log [FM-6672] to record all fundraising activities approved by the administration and conducted by the school. A Complimentary List [FM-6679] must also be properly completed, if applicable, in those instances where merchandise, goods, admissions, etc. are given free of charge. Regarding the collection of funds, Section II, Chapter 2 of the *Manual* states that money collected by school employees, students, or authorized volunteers for school activities, regardless of the amount, must be submitted to the school treasurer, or back-up designee, on the same day collected. Money collected on school premises **must not** be taken home or away from school grounds.

We sampled a total of ten fundraising activities for the two-year audit period (five for each fiscal year). Nine of the ten activities disclosed the following discrepancies:

- 3.1. *Several Applications for Fundraising* and the corresponding *Student Activity Operating Reports* were not properly completed or not prepared at all. Those filed disclosed incomplete information and/or bookkeeping errors since total amounts receipted and disbursed did not match amounts recorded in the automated accounting system, or the associated transactions were not all posted to the account sub-ledger where the fundraiser's accounting activity was to be reflected.
- 3.2. Complimentary Lists were not always properly completed. Specifically, the lists were missing information such as activity number, description and quantity of items received, date received, and sponsor's signature.
- 3.3. According to documentation provided by a sponsor from one of the fundraisers reviewed, cash-handling procedures were not properly followed. Based on our inquiries, it appears that the sponsor took home some of the fundraiser's cash collections generated from the day's sales and turned them into the school the following day. However, no monetary shortfalls were identified during our review.
- 3.4. A sponsor did not properly use the Official Teacher's Receipt books he was assigned to document sales from a fundraiser. Specifically, receipts from one of the books were not properly dated since they were missing the year. Another receipt book was used to receipt collections from a pre-sale of team shirts. After collecting funds and issuing several receipts, it was decided not to purchase the shirts; however, receipts were not voided properly since the white copy of the

receipt was not attached to the book. According to the sponsor, all collections were returned to the students. We were able to recover some white-copy receipts from the students, but not all. From the receipts, we noted that the sponsor had withheld the funds instead of turning them to the Treasurer for deposit on the days that he collected money.

- 3.5. Wristbands (in lieu of admission tickets) used in conjunction with fundraisers were not listed on the school's Prenumbered Forms Inventory report⁸. During the audit, we attempted to trace the wristbands issued to Student Activity Operating Reports; however, the wristbands issued were not recorded properly in the reports. According to the school, there was one instance where a school-allied organization may have used wristbands purchased by the school for one of their fundraisers⁹.

RECOMMENDATIONS

- 3.1. **Review the procedures with sponsors to ensure awareness and compliance of the requirements, especially the timely preparation, review and filing of Application for Fundraising Activities and Student Activity Operating Reports; and the handling/remittance of funds for deposit.**
- 3.2. **Strengthen the review over fundraising activities, including the preparation and review of Student Activity Operating Reports.**
- 3.3. **Ensure that prenumbered admission tickets are used, as applicable, in fundraising activities conducted by the school.**
- 3.4. **Periodically review the activities with the Activities Director and Treasurer to ensure that sponsors are turning in collections timely, without discrepancy; and reports are completed, reviewed and signed.**
- 3.5. **Ensure that the school-allied organization does not use forms/property of the school to control their sales/fundraisers/events. Events of the school and the school-allied organization should be clearly distinguished.**

⁸ The *Manual of Internal Fund Accounting* (Section V, Chapter 1) requires the inventorying of all official forms used to receipt collections and to control admissions to events. These must be inventoried and an accurate and organized inventory of pre-numbered forms be prepared at the end of the fiscal year.

⁹ Pursuant to Section IV, Chapter 12 of the *Manual*, to avoid violations of policy, approved outside allied groups (including PTA) should conduct their activities in such a way that they will be clearly distinguished from school-sponsored student/club activities. Public announcements and tickets should clearly designate the activities as those of the school-allied organization even though the activity may be held on school grounds.

Person(s) Responsible:

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

Management Response:

The Principal held a meeting on January 12, 2016, with all faculty members, and club sponsors. An Assistant Principal was assigned to review the process of applying, documenting, collecting and operating fundraising activities in accordance to Miami Dade County Manual of Internal Funds.

A meeting was held on January 12, 2016, with representatives of the various school-allied organizations to ensure that they do not use any forms/property of the school to monitor their sales or fundraising activities.

The Principal will review the scheduled activities with the Activity Director, Assistant Principal overseeing activities, and Treasurer to ensure that collections are timely and reports are being signed and completed properly.

Prior to approving any fundraising applications all previous fundraising activities conducted by the Sponsor must have been completed appropriately and verified by Treasurer, Assistant Principal and Principal.

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Center Financial/Business Operations Director will meet with the Principal on a quarterly basis to review Student Activity Operating Reports for the school.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 39 of this report and page 73 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

4. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll
Jorge Mas Canosa Middle

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

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

Regarding leave, full-time employees must complete leave cards to support the leave taken; and the leave cards must be signed by the employee and an administrator. In the event of temporary duty leave, a leave card must be filed if a full-time teacher requires substitute coverage.

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

At this school, the Principal supervises and approves the payroll. The review of the payroll sign-in procedures corresponding to the payroll in effect during our audit visits in March and May 2015, and our review of selected payrolls corresponding to pay periods processed in January to March 2015 disclosed many discrepancies with the payroll reported and supporting documentation. Payroll reporting errors discovered during the audit that required payroll corrections were processed by the school at the request of the auditor. Details follow:

- 4.1. *Employees did not always indicate their presence or the time-in upon arrival on the Daily Payroll Attendance Sheets for one or more days.* From the sampled payrolls, we noted this condition on 43 employee attendance records that comprised six part-time and 37 full-time (22 instructional and 15 non-instructional) a total of 69 instances. According to the school, the employees in question were present on those particular days. Consequently, no corrections were required.

- 4.2. *In several instances, employees recorded their attendance ahead of their working schedules one or more days.* During our observation of payroll sign-in procedures during March and May 2015, we noted this condition on 24 employee records that comprised 23 part-time employees and one full-time employee a total of 60 instances.
- 4.3. *The Daily Payroll Attendance Sheets were not properly maintained to reflect the employee absences accurately.* Specifically, we noted instances where the Daily Payroll Attendance Sheet was left blank on a day or days when the employee was out on leave; or the employee recorded his/her attendance on a day when the employee was out on some type of leave. In addition, in some instances, the attendance rosters for temporary instructors did not reflect the correct information associated with the employee being substituted for. From our sampled payrolls, we identified both conditions on the attendance records of 30 employees that comprised 21 full-time instructional, two full-time non-instructional and seven temporary instructors. We calculated a total of 34 instances. We verified the payroll reported in the Final Rosters and determined that, although the Daily Payroll Attendance Sheets reflected errors/omissions, these did not require payroll corrections.
- 4.4. *The attendance reported on the Final Rosters did not always agree with the attendance documented on the Daily Payroll Attendance Sheets and leave cards.* We identified 74 instances of discrepancies between these documents. Each instance was reviewed with the Payroll Clerk, and 21 corrections to the payroll were required and made at our request. Most corrections required charging employees for additional leave that the employee took at the time but that the school had not reported. Regarding the other 53 discrepancies, corrections were not required in 32 instances. The remaining 21 had been corrected prior to the auditor's visit; however, the Payroll Clerk had not documented the corrections in the files. Consequently, these required follow-up to ensure that all payroll corrections had been made accordingly.
- 4.5. *The leave cards were not filed in chronological order, and many were not properly completed.* Specifically, we noted cards that reflected a different type of leave than the leave reported in the Final Rosters; a different date than the one taken by the employee; the absent dates not recorded; different types of leave recorded on the same leave card; or the card was not signed by an administrator. We calculated 30 instances of incomplete/inaccurate leave cards.

RECOMMENDATIONS

- 4.1. Review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and completion of leave cards.
- 4.2. Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported by assigning an administrator to oversee payroll.
- 4.3. Direct the administrator to periodically review the sign in sheets of full-time and part-time employees to ensure that employees are documenting their attendance (full-time) or signing in/out (part-time) in a timely manner.
- 4.4. Ensure that payroll corrections are documented in the payroll files.
- 4.5. Meet with the administrator before the final approving of payroll to ensure that records were reviewed and all discrepancies resolved prior to final reporting.

Person(s) Responsible:

**Principal, Assistant Principal,
and Secretary/Payroll Clerk**

Management Response:

The Principal has hired a new Secretary/Payroll Clerk and will ensure she receives the necessary training by attending available workshops for SAP Payroll. The Principal has requested from the Region that an experienced Payroll Clerk be assigned to provide further guidance on how to ensure proper procedures, maintaining accurate Payroll Attendance Sheets, and the daily payroll process.

The Principal held a meeting with all school personnel on January 12, 2016, to review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and the completion of leave cards.

The Principal met with the Payroll Clerk and the Assistant Principal on January 11, 2016, to discuss the practice of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. The Principal and assigned Assistant Principal will periodically review the sign-in sheets to ensure that employees are signing in on a daily basis. The Principal and Assistant Principal will carefully review the Daily Attendance Sheets for accuracy prior to final approval of payroll.

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the Payroll Processing Procedures Manual and develop a systematic approach for properly maintaining payroll procedures.

The Financial/Business Operations Director will assign a mentor Payroll Clerk to the newly assigned Payroll Clerk at the school.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 39 of this report and page 73 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

5. School Non-Compliant With Full-Time Equivalent (FTE) Student Records Resulted In Potential FTE Funding Disallowances
Jorge Mas Canosa Middle

For the 2014-2015 school year, guidelines and procedures for maintaining student information for *English Language Learners (ELL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2014-2015 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*.

According to the guidelines, all sections of the Individual *English Language Learners/Limited English Proficiency ELL/LEP Student Plan* for secondary students [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 Florida Comprehensive English Language Learning Assessment (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. All meetings should take place and documentary evidence must be filed by the time that the Full-Time Equivalent (FTE) survey period arrives.

For secondary schools, a student schedule printed from the Miami-Dade County Public Schools' Integrated Student Information System (DSIS) 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 2014-2015 found discrepancies in the ESOL area. Based on our samples, the errors could have generated a funding disallowance to the District totaling approximately \$2,800. Details are as follows:

During the February 2015 FTE Survey¹⁰ records, the school reported 152 students enrolled in the ESOL program. A review of a sample of 15 ELL student folders disclosed the following discrepancies in ten student folders sampled (67%). Regarding the first three items, similar conditions were *previously cited during an FTE audit for the 2011-*

¹⁰ FTE Survey in February is otherwise referred to as FTE Survey Period 3.

2012 fiscal year under the tenure of the former school administration. Consequently the repetitive conditions and high error rate require the attention of the current school administration:

- 5.1. In nine instances, the student's academic schedule was printed *subsequent to the February 2015 FTE Survey period or was not evident in the files.*
- 5.2. In four instances, a student was enrolled in the ESOL program for more than six semesters; however, the LEP folder did not show documentary evidence that a committee had met to assess the student's progress.
- 5.3. In four instances, there was no evidence of the 2014 CELLA (Florida Comprehensive English Language Learning Assessment) test or initial assessment in the student file.
- 5.4. In four instances, the individual ELL/LEP Student Plan was not properly completed. Specifically, it was not signed or dated by the teacher.
- 5.5. In one instance, the *Home Language Survey* was not properly completed. Specifically, the date was not indicated.

RECOMMENDATIONS

We again make the following recommendations:

- 5.1. **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 timely filed in the folders.**
- 5.2. **In order to ensure future compliance with District guidelines, in those instances where students are enrolled over six semesters in the ESOL program, improved efforts should be made by the school administration to ensure that upcoming meetings are identified with sufficient time to schedule them in a timely manner and before the FTE week.**

Person(s) Responsible:

**Principal, Assistant Principal,
ESOL Department Chairperson,
and Registrar**

Management Response:

In order to ensure that the ESOL Program meets compliance with the District guidelines, an in-house review of the LEP folders was conducted. As a result of the findings, the Principal requested assistance from the Region to train the newly appointed ESOL Department Chairperson, Assistant Principal, and Registrar. The Principal met with the ESOL Department Chairperson, Assistant Principal assigned to the ESOL Department, and Registrar to ensure compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

The Principal will meet periodically with the Assistant Principal, ESOL Department Chairperson, and Registrar to review randomly selected cumulative folders of ELL students to ensure that initial CELLA assessments are completed and on file, student schedules are printed and properly filed, meetings are conducted in a timely manner for students with six or more semesters in ESOL and that the ELL/LEP Student Plan is properly completed and signed.

Person(s) Responsible:

South Region Office Administration

Management Response:

The South Region Office Financial/Business Operations Director solicited the assistance of an experienced ELL Program Supervisor to review and provide training to selected staff at the school. The Region will conduct mini-reviews of the ELL student folders and will discuss discrepancies with the Principal for immediate correction.

Additionally, the affected school Principal will be required to participate in the District's Money Does Matter Support Program.

Person(s) Responsible:

School Operations Administration

Management Response:

Refer to page 39 of this report and page 73 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Jorge Mas Canosa Middle School.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools/centers for the fiscal year(s) ended June 30, 2014 and/or June 30, 2015, on the cash basis of accounting, depending on the school/center audited;
- evaluate compliance by the schools/centers with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with *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;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*; 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, 2013 through June 30, 2014 and/or July 1, 2014 through June 30, 2015 (depending on whether the audit scope was one or two-year audit at the individual school/center being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. The scope of the Title I Program audit was the 2014-2015 fiscal year for financial reporting purposes. FTE audits covered the February 2015 survey period (2014-2015 survey period 3).

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools/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, 2014 and June 30, 2015 was 0.62% and 0.64%, 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, 2014 and June 30, 2015, the MDCPS-Money Market Pool Fund's interest rate was 0.62% and 0.64%, 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/center processes its own biweekly payrolls. Timekeeping personnel enter the employees’ time and attendance data on a centralized information system. After the information is entered into the system, it is approved by the principal on-line. Subsequently, the payroll department reviews the information and processes the payroll.

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

PROPERTY

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

Our office conducts yearly inventories at each school/center of all property items with an original cost of \$1,000 or more. These inventories are customarily scheduled and performed at the sites ***after the first day of school and before the end of the school year***. Consequently, the property inventories of schools/centers audited during the

summer months of July and August are customarily conducted at a later date, unless staff is available at the sites and time permits. Inventories pending at year-end will be conducted and reported for the next fiscal year.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

FULL-TIME EQUIVALENT (FTE)

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

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

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

Schools/centers are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools/centers to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2014-2015 fiscal year, months selected by the FDOE for these surveys are as follows:

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

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

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

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

TITLE I PROGRAM

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

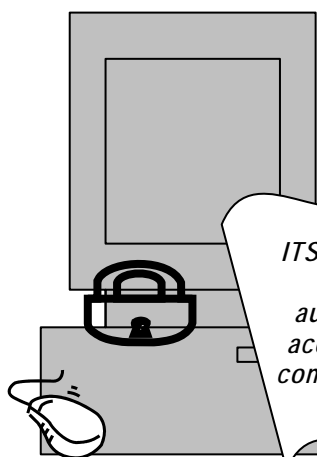


Schools/centers follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-Card Program, depending on the amount. Salary expenditures must comply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

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

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

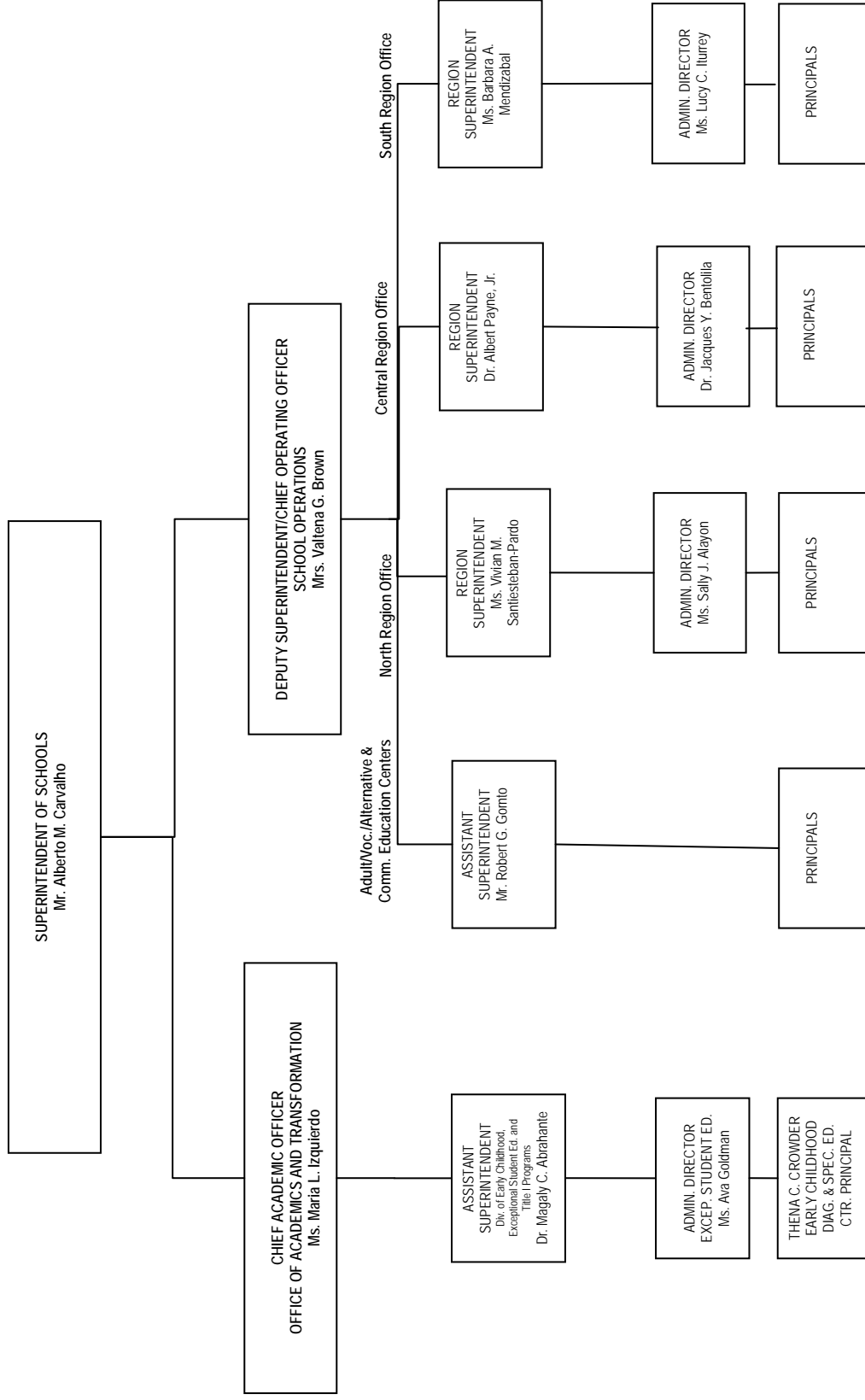
DATA SECURITY MANAGEMENT REPORT



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

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

ORGANIZATIONAL CHART (SCHOOLS/CENTERS)




Note: Effective June 15, 2015, ETO schools/centers are operationally realigned into the three existing geographic regions under School Operations (North, Central and South) based on feeder patterns; and to the Office of Academics and Transformation for educational support and wraparound services.

**APPENDIX
MANAGEMENT'S RESPONSES**

MEMORANDUM

January 6, 2016

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

FROM: Mr. Ja Marv R. Dunn, Principal 
Miami Carol City Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF MIAMI CAROL CITY SENIOR HIGH SCHOOL FOR FISCAL YEARS JULY 1, 2013 – JUNE 30, 2015**

The following is a response to the findings of the Audit Report for Miami Carol City Senior High School for the fiscal years July 1, 2013 – June 20, 2015.

The audit findings were carefully reviewed by the Principal. As a result, the Principal 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. **Athletic Fund Deficit, Discrepancies With Year-End Athletic Ticket Inventory and Other Non-Compliant Issues Related to Athletic Fund**

RECOMMENDATIONS:

- 1.1 **Review with Athletic Department staff the procedures regarding the preparation of the athletic ticket inventory, the reconciliation of ticket sales, and the preparation of game reports for awareness and understanding of the guidelines.**
- 1.2 **Periodically review the game reports and ticket sales to ensure compliance with the procedures.**
- 1.3 **Assess the expenditures associated with game payroll and consider curtailing.**
- 1.4 **Contact vendors to resolve the matter of outstanding invoices.**
- 1.5 **Monitor expenditures charged to the Athletic Fund to prevent overspending and consider fundraising activities to periodically correct the deficit.**
- 1.6 **Discuss with Athletic Department staff that under no circumstances orders are to be placed with vendors without a properly approved purchase order. In addition, quotes, as needed, will be required before approving any potential purchase.**

PERSON(S) RESPONSIBLE: Principal, Assistant Principal, Athletic Business Manager, Athletic Director, Treasurer

MANAGEMENT RESPONSE:

The Principal reviewed the guidelines as stated in the *Manual of Internal Fund Accounting* with the Assistant Principal, Athletic Director, Athletic Business Manager and Treasurer to ensure their understanding and responsibilities regarding Athletic funds, ticket inventory, reconciliation of ticket sales and game report preparation procedures.

In addition to the Principal making personnel changes, the Principal has assigned the assistant principal to review game reports and ticket sales on a weekly basis with the Athletic Director, Athletic Business Manager and Treasurer.

The Principal contacted the vendors and resolved the matter of outstanding invoices by informing them that the GMAC Office will assist with payment to cover all outstanding payments.

The Principal reviewed the *Interscholastic Athletic Manual* with the Assistant Principal, Athletic Director, Athletic Business Manager and Treasurer to ensure game payrolls were curtailed and the number of staff hired for games was in proportion to revenues raised and actual need and in keeping with safety as the top priority.

The Principal and Athletic Director collaborated with the GMAC Office to request and secure a loan from the Dade County Athletic Equalization Fund to resolve all outstanding invoices stemming from the 2014-2015 fiscal year.

The Principal has established and strengthened policies and procedures for a solid check and balance system. He conducts scheduled bi-weekly meetings with aforementioned parties to review all Athletic expenditures, balances, purchase orders, fundraising activities and game reports.

The Principal coordinated Internal Funds training for the Athletic Coaches, Athletic Business Manager, Athletic Director, and Assistant Principal by the Auditor and District Athletic personnel during the month of December.


Lastly, the Principal directed the Athletic Department to cease and desist placing orders with vendors without a quote, as needed or without a properly approved purchase order.

cc: Sally J. Alayon,
Cynthia Gracia

MEMORANDUM

January 13, 2016

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

FROM: Mr. Elio Falcon, Jr., Principal 
Jorge Mas Canosa Middle School

SUBJECT: **SCHOOL SITE AUDIT CORRECTIVE ACTION PLAN - RESPONSE TO SCHOOL SITE
AUDIT REPORT – JORGE MAS CANOSA MIDDLE SCHOOL – 6771**

The following is a response to the audit findings for Jorge Mas Canosa Middle School Audit Report for the 2014-2015 Fiscal Year. The audit findings have been carefully reviewed by the Principal. As a result, the following corrective actions have been established to prevent recurrence.

RECOMMENDATIONS

- 1.1 Discuss disbursement procedures with staff for understanding and awareness of the requirements. This also includes the procedures for documenting the disbursement.**
- 1.2 Discuss the disbursement procedures with the Treasurer to ensure understanding of the expectations of the job.**
- 1.3 Designate an Administrator to review the disbursements on a periodic basis to ensure that disbursements are properly documented, approved with purchase orders, from accounts holding sufficient funds, and posted to the correct accounts.**
- 1.4 Implement the use of purchase orders for individual purchases of \$100 or more and ensure that all invoices are signed for acknowledgment of receipt of goods.**
- 1.5 Monitor the Fund 9 account disbursements and ensure that disbursements are approved provided funds are available and allowable under this particular account's guidelines.**
- 1.6 We recommend that profits from the School Pictures and Vending Machine accounts not be transferred to other accounts until the General Fund attains a positive balance.**
- 1.7 Ensure that disbursements charged to the EESAC account are within budgeted amounts approved by the EESAC Committee, and any changes to budgeted amounts are approved by the entire Committee and reflected in the minutes.**
- 1.8 Ensure that all checks are properly signed before mailing to vendors or making payments**
- 1.9 Meet with the administration on a regular basis and request that discrepancies be brought to your attention to ensure that corrective action is timely implemented.**

Person(s) responsible: Principal, Assistant Principal, Treasurer and EESAC Chairperson

MANAGEMENT RESPONSE

A training session was conducted on August 21, 2015, during the Opening of School Meeting whereby district policies and procedures were once again addressed, including but not limited to, the documenting of all disbursements. Principal has reviewed with Treasurer at length, all procedures according to the Manual of Internal Funds Accounting to ensure her understanding of the expectations of her job. Together with the Principal and Treasurer, an Assistant Principal is assigned to review all disbursements on a periodic basis to ascertain that everything is properly documented according to procedures.

Staff was informed on January 12, 2016 of the requirement to obtain three (3) written quotes prior to making purchases of \$1,000 or more but less than \$50,000. Staff was reminded that before making any purchases they must first obtain the proper authorization from the Treasurer and Principal in order to ensure that district mandates are followed.

Fund 9 is being monitored very closely by the Principal, Assistant Principal and Treasurer to ensure that program guidelines are adhered to and only authorized transactions will be processed by Treasurer making sure that funds are available at all times. The Treasurer was instructed to post all disbursements in the system in a timely manner.

EESAC activities will be closely monitored by the Principal, EESAC Chairperson, Assistant Principal and Treasurer to ensure that all transactions mirror the approved minutes and if at any point changes need to be made, an emergency meeting will be called to get the committee's approval and recorded in the minutes before anything is processed.

The Principal, Assistant Principal and Treasurer will ascertain that all checks have been duly signed before making a payment.

The Principal and the Treasurer will meet regularly to review all of the above and to immediately correct any discrepancies that may arise.

RECOMMENDATIONS

- 2.1 Review the procedures with sponsors to ensure awareness and compliance of the requirements, especially the timely preparation, review and filing of Application for Fundraising Activities and Student Activity Operating Reports; and the handling/remittance of funds for deposit.**
- 2.2 Strengthen the review over fundraising activities, including the preparation and review of Student Activity Operating Reports.**
- 2.3 Ensure that pre-numbered admission tickets are used, as applicable, in fundraising activities conducted by the school.**
- 2.4 Periodically review the activities with the Activities Director and Treasurer to ensure that sponsors are turning in collections timely, without discrepancy; and reports are completed, reviewed and signed.**

- 2.5 Ensure that the school-allied organization does not use forms/property of the school to control their sales/fundraisers/events. Events of the school and the school-allied organization should be clearly distinguished.**

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

MANAGEMENT RESPONSE

The Principal held a meeting on January 12, 2016, with all faculty members, and club sponsors. An Assistant Principal was assigned to review the process of applying, documenting, collecting and operating fundraising activities in accordance to Miami Dade County Manual of Internal Funds.

A meeting was held on January 12, 2016, with representatives of the various school-allied organizations to ensure that they do not use any forms/property of the school to monitor their sales or fundraising activities.

The Principal will review the scheduled activities with the Activity Director, Assistant Principal overseeing activities, and Treasurer to ensure that collections are timely and reports are being signed and completed properly.

Prior to approving any fundraising applications all previous fundraising activities conducted by the Sponsor must have been completed appropriately and verified by Treasurer, Assistant Principal and Principal.

RECOMMENDATIONS

- 3.1 Review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and completion of leave cards.**
- 3.2 Strengthen the overall review of payroll to ensure the accuracy, completeness and propriety of the payroll reported by assigning an administrator to oversee payroll.**
- 3.3 Direct the administrator to periodically review the sign in sheets of full-time and part-time employees to ensure that employees are documenting their attendance (full-time) or signing in/out (part-time) in a timely manner.**
- 3.4 Ensure that payroll corrections are documented in the payroll files.**
- 3.5 Meet with the administrator before the final approving of payroll to ensure that records were reviewed and all discrepancies resolved prior to final reporting.**

Person(s) responsible: Principal, Assistant Principal, and Secretary/Payroll Clerk

MANAGEMENT RESPONSE

The Principal has hired a new Secretary/Payroll Clerk and will ensure she receives the necessary training by attending available workshops for SAP Payroll. The Principal has requested from the Region that an experienced Payroll Clerk be assigned to provide further

guidance on how to ensure proper procedures, maintaining accurate Payroll Attendance Sheets, and the daily payroll process.

The Principal held a meeting with all school personnel on January 12, 2016, to review with staff the recording of attendance on the Daily Payroll Attendance Sheets, the proper documentation of payroll hours and the completion of leave cards.

The Principal met with the Payroll Clerk and the Assistant Principal on January 11, 2016, to discuss the practice of reviewing the Daily Payroll Attendance Sheets in order to ensure the accuracy, completeness and propriety of the payroll reported. The Principal and assigned Assistant Principal will periodically review the sign-in sheets to ensure that employees are signing in on a daily basis. The Principal and Assistant Principal will carefully review the Daily Attendance Sheets for accuracy prior to final approval of payroll.

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 the ESOL program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and timely filed in the folders.**
- 4.2. In order to ensure future compliance with District guidelines, in those instances where students are enrolled over six semesters in the ESOL program, improved efforts should be made by the school administration to ensure that upcoming meetings are identified with sufficient time to schedule them in a timely manner.**

Person(s) responsible: Principal, Assistant Principal, ESOL Department Chairperson, and Registrar

MANAGEMENT RESPONSE

In order to ensure that the ESOL Program meets compliance with the District guidelines, an in-house review of the LEP folders was conducted. As a result of the findings, the Principal requested assistance from the Region to train the newly appointed ESOL Department Chairperson, Assistant Principal, and Registrar. The Principal met with the ESOL Department Chairperson, Assistant Principal assigned to the ESOL Department, and Registrar to ensure compliance with ESOL guidelines established by the State of Florida, Department of Education, and the District.

The Principal will meet periodically with the Assistant Principal, ESOL Department Chairperson, and Registrar to review randomly selected cumulative folders of ELL students to ensure that initial CELLA assessments are completed and on file, student schedules are printed and properly filed, meetings are conducted in a timely manner for students with six or more semesters in ESOL and that the ELLI/LEP Student Plan is properly completed and signed.

For further information regarding this response, please contact our office at 305-252-5900.

EF:

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

January 8, 2016
VSP#054/2015-2016
(305) 572-2800

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

FROM: Vivian M. Santiesteban-Pardo, ^{VP}Region Superintendent
North Region Office

SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOL

Attached, please find the response to the audit findings for the fiscal years July 1, 2013 – June 30, 2015, Miami Carol City Senior High School. The North Region Office has reviewed the exception cited. The following support activities will be implemented at the Region level.

Miami Carol City Senior High School

1. Athletic Fund Deficit, Discrepancies With Year-End Athletic Ticket Inventory and Other Non-Compliant Issues Related to Athletic Fund

The North Region Center Financial/Business Operations Director and the Principal established an organized plan for the Principal to implement and monitor to ensure compliance with Athletic Funds. The Principal will thoroughly review the *Manual of Internal Fund Accounting* and the *Interscholastic Athletic Manual* with the Assistant Principal, Treasurer, the newly appointed Athletic Director and the newly appointed Athletic Business Manager.

The Principal has been instructed to identify a school administrator to oversee the daily operations of the Athletic Department to ensure staff are well-trained to thoroughly understand the procedures regarding the following: preparation of athletic ticket inventory, reconciliation of ticket sales, preparation of game reports, maintaining a balanced budget, and securing purchase orders and quotes prior to placing orders with vendors.

Also, the Principal has been instructed to ensure that the Athletic Department staff assess and curtail expenditures associated with game payroll while keeping safety and security at the forefront. The Assistant Principal will meet regularly with staff to ensure guidelines are followed. Also, the Principal has been instructed to meet with the Assistant Principal on as needed basis to discuss and address any concerns and/or discrepancies.

Furthermore, the Principal has been instructed to confer with the GMAC office to ensure that a loan is secured from the Dade County Athletic Equalization Fund to resolve outstanding invoices and that all payments are made according to the three year schedule.

Furthermore, the Principal has been instructed to attend School Operation's Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director has designed "In-House Review Teams" within each feeder pattern to assist with in-house reviews to ensure compliance in this area.

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

VSP/SA

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

MEMORANDUM

January 12, 2016

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

FROM: Ms. Barbara Mendizabal, Region Superintendent
South Region Office

SUBJECT: **RESPONSES TO AUDIT FINDINGS OF JORGE MAS CANOSA MIDDLE SCHOOL**

Please find attached the response to the audit findings for the 2013-2014 and 2014-2015 fiscal years for Jorge Mas Canosa Middle School Middle School. South Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Jorge Mas Canosa Middle School

1. Inadequate Controls Over Purchases Resulted in Non-Compliance with Purchasing Requirements and Incomplete Documentation

The South Region Center Financial/Business Operations Director instructed the Principal to meet with the newly assigned Treasurer to thoroughly review the Miami-Dade County's *Educational Excellence School Advisory Council (EESAC) Resource Guide*, and Section II of the *Manual of Internal Fund Accounting* to ensure compliance with the respective policies and procedures.

The Financial/Business Operations Director directed the Principal to develop a system for the monitoring of disbursements to ensure that disbursements made are in accordance with proper procedures.

2. Fundraising Activities Non-Compliant with Guidelines

The South Region Center Financial/Business Operations Director will meet with the Principal on a quarterly basis to review Student Activity Operating Reports for the school.

3. Inadequate Recordkeeping, Documenting, and Reporting of Payroll

The South Region Office Financial/Business Operations Director instructed the Principal to thoroughly review the *Payroll Processing Procedures Manual* and develop a systematic approach for properly maintaining payroll procedures.

The Financial/Business Operations Director will assign a mentor Payroll Clerk to the newly assigned Payroll Clerk at the school.

4. School Non-Compliant With Full-Time Equivalent (FTE) Student Records Resulted in Potential FTE Funding Disallowances

The South Region Office Financial/Business Operations Director solicited the assistance of an experienced ELL Program Supervisor to review and provide training to selected staff at the

school. The Region will conduct mini-reviews of the ELL student folders and will discuss discrepancies with the Principal for immediate correction.

Additionally, the affected school Principal will be required to participate in the District's Money Does Matter Support Program.

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


BM/g

cc: Ms. Cynthia Gracia
Ms. Lucy Iturrey

MEMORANDUM

January 15, 2016

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

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

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

School Operations has reviewed the audit exceptions cited in the 2013-2014 and 2014-2015 fiscal year(s) audit reports of the following schools reporting to the North and South Region Offices: Miami Carol City Senior High and Jorge Mas Canosa Middle School. The following preventive actions will be taken through School Operations:

- Review reports submitted by the Region Office Financial/Business Operations Director on periodic basis mini-reviews to ensure that collections are properly receipted, documented, and timely deposited. 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;
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through Money DOES Matter Support Program; and
- School Operations in collaboration with the Region Office will continue to provide support to the school by assigning a Fiscal Review Team to conduct financial reviews, periodically.

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

VGB:cg
M083

Cc Region Superintendents
Ms. Cynthia Gracia
Region Directors

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 2016



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