



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

***Internal Audit Report***

***Selected Schools/Centers***

*The Financial Statements  
Were Fairly Stated  
For All 26 Schools/Centers  
In This Report.*

*At Six Schools/Centers,  
Controls Over The Bookkeeping Function And  
Records Organization;  
Receipts And Disbursements Procedures;  
Yearbook And Student Activities;  
Athletic Ticket Inventory And Culinary Services;  
And FTE Records And Procedures  
Need Improvement.*

*Property Inventory Results  
Were Satisfactory  
For All 26 Schools/Centers  
Reported Herein.*

**January 2018**

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

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Dr. Dorothy Bendross-Mindingall  
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Ms. Mari Tere Rojas

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# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

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

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Dr. Marta Pérez  
Mari Tere Rojas

January 22, 2018

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 26 schools/centers currently reporting to the North Region Office, the Central Region Office, the South Region Office, or the Office of Adult/Vocational, Alternative and Community Education within School Operations. The audit period of 16 of the 26 schools/centers is two fiscal years ended June 30, 2017, while the audit period of the remaining 10 schools/centers is one fiscal year ended June 30, 2017. At 12 schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools/centers, evaluate compliance with District policies and procedures, and ensure that assets were properly safeguarded. The audits included a review of internal funds at all 26 schools/centers. On a selected basis, we reviewed Title I Program procedures and Full-Time Equivalent (FTE) reporting and student records. Generally as part of audit follow-ups, we reviewed payroll, the Purchasing Card program, and certain aspects of school site data security. The audits also included the results of property inventories of all 26 schools/centers reported herein.

Audit results proved satisfactory at 20 of the 26 schools/centers reported herein, and property inventory results for all schools/centers were also satisfactory. Notwithstanding the individual school findings included in this report, the financial statements of all 26 schools/centers reported herein were fairly stated. At six schools/centers, depending on the school/center audited (as reported herein for the individual school/center), our audits identified weaknesses in the execution of the bookkeeping function; the completeness/organization of the internal funds records; non-compliance with receipting and/or disbursement guidelines; inadequate controls over the yearbook and school-sponsored activities; insufficient controls over the management of a culinary services activity; and non-compliance with FTE records and procedures. Furthermore, at Miami Northwestern Senior, our verification of the inventory of athletic game admission tickets and analysis of the corresponding revenues and expenditures (which is part of the internal audit) discovered a shortage of tickets of various denominations which pointed to a potential monetary loss of approximately \$3,400. During the audit, staff responsible for the custody of these tickets could not provide an explanation for the whereabouts of the tickets, or the revenue generated from the potential ticket sales. Consequently, the Principal filed an incident report with the District; and the case was referred to the Civilian Investigative Unit for further examination. At present, the investigation is ongoing.

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

Sincerely,

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

JFM:mtg



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## EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 26 schools/centers. These include 12 that report to the North Region Office; ten that report to the Central Region Office; three that report to the South Region Office and one that reports to the Office of Adult/Vocational, Alternative and Community Education within School Operations. For 16 of the schools/centers reported herein, the scope of the audit was two fiscal years ended June 30, 2017. For the remaining ten schools/centers, the scope of the audit was one fiscal year ended June 30, 2017. At 12 schools/centers, there was a change of Principal/Site Administrator since the prior audit.

The audits disclosed that 20 of the 26 schools/centers reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The six schools/centers with audit findings and the affected areas are as follows:

Work Loc. No.	Name of School/Center <i>Principal's Tenure</i>	Region/ District Office	Audit Scope	Change Of Prin- cipal Since Prior Audit	Prior Audit Find- ings At This School/ Center	Current Audit-- Total Audit Find- ings Per School/ Center	Audit Findings Per Internal Audit Category							FTE
							INTERNAL FUNDS							
							Book- keep- ing	Rec. & Dep.	Dis- burse- ments	Year- Book Act.	Stu- dent Act.	Culi- nary Serv. Act.	Ath. Tix Inv.	
7231	1.Miami Carol City Senior <i>Current and prior audit findings under same Principal-no change. Current and prior finding on expenditures similar. Additional findings this period.</i>	North	2015-16 2016-17	No	Yes	4	1		1	1	1			
7591	2.North Miami Senior <i>Change of Principal and Treasurer in July 2017. Current and prior audit findings under former Principals. Current and prior findings on similar areas.</i>	North	2015-16 2016-17	Yes	Yes	5		1	1	1	1	1		
0101	3.Arcola Lake Elementary <i>Current and prior audit findings under same Principal-no change. Current and prior findings on similar areas.</i>	Central	2015-16 2016-17 FTE SP 3	No	Yes	2	1							1
7251	4.Miami Central Senior <i>Same Principal as in prior audit-no change.</i>	Central	2015-16 2016-17 2016-17 FTE SP 3	No	No	1								1
7411	5.Miami Northwestern Senior <i>Same Principal as in prior audit-no change. Current and prior findings on different areas.</i>	Central	2016-17	No	Yes	1							1	
7791	6.Booker T. Washington Senior <i>Same Principal as in prior audit-no change.</i>	Central	2015-16 2016-17 2016-17 FTE SP 3	No	No	1								1
	<b>6 schools/centers</b>					<b>14</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>

As depicted in the table above for the six schools/centers, our audits identified weaknesses in the execution of the bookkeeping function and in the completeness/organization of the internal funds records; non-compliance with receipting

and/or disbursement guidelines; inadequate controls over the yearbook and school-sponsored activities; unsatisfactory controls over the management of a culinary services activity; and non-compliance with FTE records and procedures. Furthermore, at Miami Northwestern Senior, our verification of the inventory of athletic game admission tickets and analysis of the corresponding revenues and expenditures (which is part of the internal audit of the school/center) discovered a shortage of tickets of various denominations which pointed to a potential monetary loss. During the audit, staff responsible for the custody of these tickets could not provide an explanation for the whereabouts of the tickets, or the revenue generated from the potential ticket sales. Consequently, the Principal filed an incident report with the District; and the case was referred to the Civilian Investigative Unit for further examination. At present, the investigation is ongoing.

More specific details regarding prior/current findings, names of Principals and timeframes of their administrative assignments are provided on pages 20-27 of this report.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools/centers in this report is presented on pages 20-23. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 34-97); and in the *Appendix Section* in memorandum format (Pages 108-137).

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to *the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 28-29), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 28-29) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit).* Regarding Hialeah-Miami Lakes Adult Education Center, the financial statements of the internal funds of this center present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting.

*As of June 30, 2016, for 16<sup>1</sup> schools/centers reported herein, total receipts and disbursements amounted to \$5,155,100 and \$(5,105,564), respectively; while total combined Fund Balance amounted to \$1,225,746 (Pages 10-11).*

*As of June 30, 2017, for all 26 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,941,809 and \$(6,807,112), respectively; while total combined Fund Balance amounted to \$1,899,420 (Pages 12-14).*

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<sup>1</sup> This report includes 15 K-12 centers and 1 adult education center with a two-year audit (2015-2016 and 2016-2017); and 10 K-12 centers with a one-year audit (2016-2017).

*Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 26 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.*

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

## **INTERNAL FUNDS**

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

In March 2016, the District migrated the bookkeeping of the internal funds of all K-12 centers from a legacy bookkeeping system (referred to as the MSAF system) to a web-based full accrual accounting system. The new system is named the *Electronic Student Accounting System* by the District (otherwise referred to as the eSAS system)<sup>2</sup>.

The deployment to the new system was accomplished in tiers, where K-12 schools/centers were segregated into four different groups (the first being the pilot group followed by three cohorts). Each group migrated into the new bookkeeping system according to the following schedule under the direction and guidance of various district departments (i.e., Accounting, Treasury Management, Information Technology Services (ITS)), and with technical assistance from the software vendor. Regarding the K-12 centers in this report **with two-year audits**<sup>3</sup>, the summarized group configuration and overall deployment schedule was as follows:

Group Designation	MSAF (Legacy) System End Date	eSAS System Available For Conversion	No. Of K-12 Centers In This Report Phasing Into eSAS During 2015-2016
Pilot	9/29/2015	10/1/2015	1
Cohort 1	11/24/2015	12/1/2015	5
Cohort 2	1/27/2016	2/1/2016	7
Cohort 3	2/24/2016	3/1/2016	2
<b>Total K-12 Centers</b>			<b>15</b>

<sup>2</sup> Please, refer to *Background Section* on pages 100-102 for additional details.

<sup>3</sup> The 16 two-year audits reported herein involve 15 K-12 centers and 1 adult education center. The system migration of the adult education center happened following a different timeline, which is explained in the next section of this Executive Summary.

Consequently, the schools in this report converted from the cash basis system of accounting to the new full accrual system on different dates, and these dates are reflected in the Opinion to the financial statements during the year of conversion (2015-2016). Please, refer to Accounting System Conversion Schedule on pages 28-29 for dates specific to each K-12 center reported herein.

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

The internal funds of adult and community education centers/technical colleges were accounted for on the cash basis of accounting until March 31, 2015. In early April 2015, the District migrated the bookkeeping of the internal funds of these centers from a legacy (bookkeeping) system to a web-based full accrual accounting system. Consequently, the legacy accounting systems at Hialeah-Miami Lakes Adult Education Center (the adult education center with a two-year audit included in this report) was phased out towards the end of 2014-2015. Therefore, the center's financials are fully accounted for under the new eSAS accounting system for 2015-2016 and 2016-2017.

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

Internal funds records and procedures were reviewed at all 26 schools/centers. At 20 of the 26 schools/centers, we determined there was general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following four schools/centers we found that:

- At Miami Carol City Senior, the internal funds records for the 2015-2016 and 2016-2017 fiscal years were not in proper order, or were incomplete. Two individuals handled the functions of the school Treasurer at different times throughout the two fiscal years. The current Treasurer was hired in July 2017, and has no prior bookkeeping experience in a high school setting. Our inquiries with school vendors disclosed that a specific vendor had not been paid for services rendered over a two-year time span. Regarding overall financial conditions, similar to the previous audit, several internal fund accounts had closed the year with deficit balances, several other accounts had not experienced any financial activity and had remained dormant for the past two fiscal years, and certain transactions reflected in the game officials' clearing account had not been resolved by the end of the fiscal year or after the year had closed. Regarding disbursements of \$1,000 or more, vendor quotations were not on file; some purchases were split to circumvent the threshold for obtaining quotations; documentation supporting disbursements was incomplete, payments were late, and sales tax was not paid in those purchases that were not tax-exempt. We continued to identify discrepancies in the preparation and filing of Student Activity Operating Reports, the completion of the Activity Log, and in our analysis of revenues and expenditures of selected student activities. Yearbook activity-related reports disclosed errors and omissions; yearbooks did not sell well and the activity did not generate sufficient revenues to cover all associated expenditures (Pages 34-51).



- At North Miami Senior, similar findings in the areas of Receipts/Deposits, Disbursements and Student Activities were cited in the prior audit on November 2, 2015 with former Principal and former Treasurer. In July 2017, the school underwent a change of Principal and Treasurer. The findings cited herein mostly happened under the tenure of the former Principal and former Treasurer<sup>4</sup>. We identified instances of late remittances of collections as well as collections that remained at the school overnight for several days. Regarding disbursements of \$1,000 or more, vendor quotations were not on file. In addition, documentation supporting disbursements was incomplete, shipping and handling charges were excessive, and some expenditures were charged to an account that was not allowed to be charged under the guidelines. We continued to identify discrepancies in the preparation and filing of *Student Activity Operating Reports*, the completion of the *Activity Log*; and in our analysis of revenues and expenditures of selected student activities. Yearbook activity-related reports disclosed errors and omissions; yearbooks did not sell well and the activity did not generate sufficient revenues to cover all associated expenditures. Our review of the school's café (run under the Culinary Arts Program) disclosed that controls over food sales were inadequate and there were no operating reports prepared to monitor the progress of the activity or the inventory of food items, utensils, etc. In addition, sales tax was not charged to the customers (Pages 52-72).
- At Arcola Lake Elementary, similar conditions regarding incomplete documentation, posting delays and errors in the preparation of the inventory of official serialized forms were cited during the prior audit. Several individuals held the functions of the school Treasurer at different times throughout the two fiscal years. Although the school had relatively limited financial activity, our review disclosed improper oversight of the bookkeeping function. Discrepancies involved a deficit balance in the Classes and Clubs-Physical Education account that remained uncorrected since the prior audit; recordkeeping errors and incomplete documentation supporting the financial transactions; delays in the remittance of collections and the deposit of the funds; inadequate accountability of the school's official forms; and discrepancies in the accountability over student activities (Pages 73-78).
- At Miami Northwestern Senior, our verification of the inventory of athletic tickets, athletic game reports and analysis of the associated revenues and expenditures for the 2016-2017 fiscal year disclosed that staff from the Athletic Department could not account for all tickets in inventory. We afforded the school additional time to locate the missing tickets; however, only a portion of the missing tickets was subsequently

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<sup>4</sup> The prior audit period encompassed the three fiscal years 2012-2013, 2013-2014 and 2014-2015, due to an extensive review of the school records related to the discovery of a misappropriation of funds by a former Treasurer (who is no longer employed with the school system). During the prior audit period, the school underwent two changes of Principal: one in June 2014 and another in June 2015. The prior audit findings (which happened under the tenure of these two former school administrators) were formally discussed for corrective action at an exit conference with the "current" Principal at the time, who was assigned to this school from July 2015 to June 2017. These findings were also discussed with the "current" Treasurer at the time, who was hired during July 2015, and who worked at this school until mid-July 2017 (when she was promoted to another District office).

located. Ultimately, the tickets unaccounted for represent projected ticket sales of approximately \$3,400. The Principal reported the incident to the District and the case was referred to the Civilian Investigative Unit for further investigation. The case remains open and is ongoing at this time (Pages 87-90).

**PROPERTY**

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for all 26 schools/centers reported herein.

At these 26 schools/centers, Property Audits staff inventoried approximately 9,000 equipment items with a total approximate cost of \$26.2 million. All 26 inventories proved satisfactory (refer to Property Schedule on Pages 30-32).

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 18 items with a total depreciated value of approximately \$2,100 and a total acquisition cost of approximately \$30,700 were reported missing at five of the 26 schools/centers. Part of the equipment included computer and audio-visual equipment. “Other” equipment included several air conditioning units and scanners, a cash register, an ice machine, a lawn mower, welding equipment and a display case (Page 33).

**PAYROLL**

We reviewed payroll records and procedures at the following three schools/centers. At Ernest R Graham K-8 Academy and Miami Lakes Middle, our reviews were corollary to our review of the school’s payroll expenditures charged to the Title I Program. At the remaining school/center, we followed up on an audit comment from the prior year:

Work Location No.	Schools/Centers	Audit Period	Region
5051	Ernest R Graham K-8 Academy	2016-2017 and 2017-2018	North
6501	Miami Lakes Middle	2016-2017	North
3051	Toussaint L’Ouverture Elementary	2017-2018	Central

At all three schools/centers, there was general compliance with the *Payroll Processing Procedures Manual*.

## PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following two schools/centers. At Miami Lakes Middle, our review was corollary to our review of Title I Program disbursements made with the P-Card at the individual school/center during the 2016-2017 fiscal year. At Homestead Senior High School, we performed a review as follow-up to prior audit results.

Work Location No.	Schools/Centers	Region	Audit Period
6501	Miami Lakes Middle	North	2016-2017
7151	Homestead Senior	South	2017-2018

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

## TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures corresponding to the 2016-2017 fiscal year as conducted at the following two schools/centers:

Work Location No.	Schools/Centers	Region	Audit Period	Total Expenditures
5051	Ernest R Graham K-8 Academy	North	2016-2017	\$ 543,723
6501	Miami Lakes Middle	North	2016-2017	300,862
Total Title I Program Expenditures				\$ 844,585

At these schools/centers, aggregate expenditures incurred under various Title I programs amounted to approximately \$845,000. Both schools/centers reviewed were generally compliant with Title I Program documentation and procedures.

## FULL-TIME-EQUIVALENT (FTE) FUNDING

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

Work Location No.	Schools/Centers	Region	Survey Period (SP)	FTE Funding
0321	Biscayne Elementary	North	2016-2017 SP3	\$ 1,933,305
2181	Joella C. Good Elementary	North	2016-2017 SP 3	2,840,699
5091	South Pointe Elementary	North	2016-2017 SP 3	1,644,924
0231	Aventura Waterways K-8 Center	North	2016-2017 SP 3	5,657,692
7191	Hialeah Gardens Senior	North	2016-2017 SP 3	7,601,434
0101	Arcola Lake Elementary	Central	2016-2017 SP 3	1,452,276
7251	Miami Central Senior	Central	2016-2017 SP 3	4,613,807
7791	Booker T. Washington Senior	Central	2016-2017 SP 3	2,549,380
<b>Total FTE Funding:</b>				<b>\$ 28,293,517</b>

The total FTE funding amounted to approximately \$28.3 million for the eight schools/centers combined. FTE records reviewed corresponded to the 2016-2017 Survey Period 3 (February 2017), as noted in the table above. Our FTE reviews disclosed that five of the eight schools/centers were generally compliant with District policy. At the following three schools/centers we noted the following non-compliance with procedures:

- At Arcola Lake Elementary, the program is very small. Nevertheless, our review of a sample of FTE records disclosed discrepancies in the ESOL area. Based on the sample selected, the discrepancies could have generated potential funding disallowances to the District of approximately \$1,550 (Pages 79-81).
- At Miami Central Senior, our review of a sample of FTE records disclosed discrepancies in the areas of ESOL and SPED. Based on our samples, the non-compliant issues identified in this area could have generated potential funding disallowances to the District totaling approximately \$11,100 (Pages 82-86).

- At Booker T. Washington Senior, our review of a sample of FTE records disclosed significant discrepancies in the areas of ESOL, SPED and On-the-Job (OJT) Training. Based on our samples, the non-compliant issues identified in these areas could have generated a combined funding disallowance to the District totaling approximately \$57,100. Due to the extent of some of these findings, during the audit, we contacted some of the District Offices associated with the cited areas for their information and follow up with the school (Pages 91-97).

## DATA SECURITY

We reviewed the report titled “*Authorized Applications for Employees by Locations Report*” at the following three schools/centers. At the first two schools/centers, our review was corollary to the Title I Program audit conducted this year. At Gulfstream Elementary, the review was performed as a follow-up during the audit:

Work Location No.	Schools/Centers	Audit Period	Region
5051	Ernest R Graham K-8 Academy	2017-2018	North
6501	Miami Lakes Middle	2017-2018	North
2321	Gulfstream Elementary	2017-2018	South

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

## AUDIT OPINION

The following tables summarize total receipts, disbursements and Fund Balance as of June 30, 2016 and/or June 30, 2017, for the 26 schools/centers included herein, depending on the year(s) audited for each individual school/center<sup>5</sup>. It also provides the audit opinion regarding the schools/centers’ financial statements:

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<sup>5</sup> This report includes a total of 26 schools/centers, of which 16 underwent a two-year audit ended June 30, 2017, and 10 underwent a one-year audit ended June 30, 2017.

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

The Condensed Annual Financial Reports and Fund Balance as of June 30, 2016 for the 16 schools/centers reported herein with two-year audits are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0321	Biscayne Elementary	\$ 14,473.28	\$ 205,789.43	\$ (203,696.97)	\$ 16,565.74	\$ 7,435.12	\$ 9,130.62	\$ -	\$ -	\$ -	\$ 16,565.74
2181	Joella C. Good Elementary	14,565.99	322,343.77	(322,709.34)	14,200.42	5,879.12	8,321.30	-	-	-	14,200.42
5091	South Pointe Elementary	26,707.96	298,200.05	(290,612.72)	34,295.29	11,419.42	22,875.87	-	-	-	34,295.29
0231	Aventura Waterways K-8 Center	40,703.55	610,146.60	(602,053.31)	48,796.84	37,925.13	10,871.71	-	-	-	48,796.84
5051	Ernest R Graham K-8 Academy	32,162.62	207,606.50	(205,181.01)	34,588.11	15,850.96	18,737.15	-	-	-	34,588.11
6161	Lawton Chiles Middle	30,767.86	43,867.08	(43,552.92)	31,082.02	8,325.78	22,756.24	-	-	-	31,082.02
6301	John F. Kennedy Middle	31,026.62	97,556.23	(100,244.91)	28,337.94	5,728.37	22,609.57	-	-	-	28,337.94
6501	Miami Lakes Middle	80,384.45	81,299.88	(84,034.17)	77,650.16	8,546.68	69,083.48	-	20.00	-	77,650.16
7191	Hialeah Gardens Senior	110,920.48	743,845.79	(728,730.00)	126,036.27	52,773.78	73,262.49	-	-	-	126,036.27

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7231	Miami Carol City Senior	51,517.55	450,445.40	(425,956.42)	76,006.53	59,618.52	16,388.01	-	-	-	76,006.53
7591	North Miami Senior	95,043.72	542,209.10	(561,880.04)	75,372.78	34,174.62	41,198.16	-	-	-	75,372.78
<u>Central Region Office Schools/Centers</u>											
0101	Arcola Lake Elementary	13,988.79	34,143.38	(34,084.56)	14,047.61	7,824.19	6,223.42	-	-	-	14,047.61
7251	Miami Central Senior	91,956.37	550,374.98	(546,738.80)	95,592.55	41,266.77	54,325.78	-	-	-	95,592.55
7791	Booker T. Washington Senior	116,322.27	356,578.87	(365,031.48)	107,869.66	56,159.56	51,710.10	-	-	-	107,869.66
<u>South Region Office School/Center</u>											
7151	Homestead Senior	72,967.97	306,858.01	(291,404.63)	88,421.35	10,471.52	77,949.83	-	-	-	88,421.35
<u>Adult Education Center</u>											
7132	Hialeah-Miami Lakes Adult Education Center	352,701.09	303,834.47	(299,652.74)	356,882.82	65,136.67	249,173.49	-	42,572.66	-	356,882.82
<b>TOTALS</b>		<b>\$1,176,210.57</b>	<b>\$5,155,099.54</b>	<b>\$(5,105,564.02)</b>	<b>\$1,225,746.09</b>	<b>\$428,536.21</b>	<b>\$754,617.22</b>	<b>\$</b>	<b>\$42,592.66</b>	<b>\$</b>	<b>\$1,225,746.09</b>

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

The Condensed Annual Financial Reports and Fund Balance as of June 30, 2017 for the 26 schools/centers reported herein are as follows:

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
<u>North Region Office Schools/Centers</u>											
0321	Biscayne Elementary	\$ 16,565.74	\$ 169,691.11	\$ (167,277.27)	\$ 18,979.58	\$ 9,758.96	\$ 9,220.62	\$ -	\$ -	\$ -	\$ 18,979.58
2181	Joella C. Good Elementary	14,200.42	380,352.30	(379,680.53)	14,872.19	6,468.86	8,403.33	-	-	-	14,872.19
5091	South Pointe Elementary	34,295.29	278,383.12	(284,187.02)	28,491.39	5,390.03	23,101.36	-	-	-	28,491.39
0231	Aventura Waterways K-8 Center	48,796.84	688,381.25	(687,657.54)	49,520.55	38,541.68	10,978.87	-	-	-	49,520.55
5051	Ernest R Graham K-8 Academy	34,588.11	193,181.65	(190,085.50)	37,684.26	18,750.57	18,933.69	-	-	-	37,684.26
6161	Lawton Chiles Middle	31,082.02	49,385.91	(48,471.55)	31,996.38	9,005.58	22,990.80	-	-	-	31,996.38
6301	John F. Kennedy Middle	28,337.94	125,474.19	(125,972.81)	27,839.32	5,906.97	21,932.35	-	-	-	27,839.32
6501	Miami Lakes Middle	77,650.16	118,493.99	(120,252.49)	75,891.66	6,107.21	69,764.45	-	20.00	-	75,891.66
7191	Hi Leah Gardens Senior	126,036.27	708,936.54	(699,800.23)	135,172.58	32,960.10	102,212.48	-	-	-	135,172.58



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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7201	Miami Beach Senior	185,511.17	510,038.33	(515,064.73)	180,484.77	13,964.49	166,520.28	-	-	-	180,484.77
7231	Miami Carol City Senior	76,006.53	398,400.82	(349,462.56)	124,944.79	62,480.32	61,747.47	-	717.00	-	124,944.79
7591	North Miami Senior	75,372.78	549,014.97	(510,700.66)	113,687.09	72,082.84	41,604.25	-	-	-	113,687.09
<u>Central Region Office Schools/Centers</u>											
0101	Arcola Lake Elementary	14,047.61	22,013.93	(23,828.79)	12,232.75	5,947.98	6,284.77	-	-	-	12,232.75
0881	Comstock Elementary	25,853.21	12,894.23	(13,839.29)	24,908.15	13,061.47	11,846.68	-	-	-	24,908.15
3051	Toussaint L'Ouverture Elementary	9,480.67	13,987.03	(14,552.59)	8,915.11	2,150.63	6,764.48	-	-	-	8,915.11
3431	Phyllis Ruth Miller Elementary	22,020.91	158,138.39	(158,604.09)	21,555.21	16,669.38	4,885.83	-	-	-	21,555.21
5321	Southside Elementary	52,507.75	516,026.50	(508,896.93)	59,637.32	46,503.29	13,134.03	-	-	-	59,637.32
5901	Carrie P. Meek Westview K-8 Center	15,428.18	35,280.13	(36,396.17)	14,312.14	1,765.18	12,546.96	-	-	-	14,312.14
7571	International Studies Preparatory Academy	35,454.14	118,727.41	(111,194.19)	42,987.36	13,631.50	29,355.86	-	-	-	42,987.36

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

Work Loc. No.	Schools/Centers	Annual Financial Report				Fund Balance					
		Beginning Balance	Total Receipts	Total Disbursements	End Balance	Checking	Money Market Pool Fund	Other Investments	Accounts Receivable	Accounts Payable	Total Fund Balance
7251	Miami Central Senior	95,592.55	474,716.14	(445,796.76)	124,511.93	89,813.12	34,698.81	-	-	-	124,511.93
7411	Miami Northwestern Senior	132,324.92	473,486.91	(444,917.84)	160,893.99	14,429.89	145,622.10	-	(158.00)	1,000.00	160,893.99
7791	Booker T. Washington Senior	107,869.66	363,314.24	(328,706.46)	142,477.44	92,061.83	52,219.81	-	-	(1,804.20)	142,477.44
<u>South Region Office Schools/Centers</u>											
2321	Gulfstream Elementary	43,190.98	14,461.38	(18,082.72)	39,569.64	2,856.73	36,712.91	-	-	-	39,569.64
5981	Dr. Edward L. Whigham Elementary	17,204.58	24,777.16	(25,836.42)	16,145.32	5,653.68	10,491.64	-	-	-	16,145.32
7151	Homestead Senior	88,421.35	335,006.65	(339,378.05)	84,049.95	5,321.48	78,826.81	-	-	(98.34)	84,049.95
<u>Adult Education Center</u>											
7132	Hiataah-Miami Lakes Adult Education Center	356,882.82	209,244.95	(258,468.46)	307,659.31	54,895.95	251,629.62	-	1,133.74	-	307,659.31
<b>TOTALS</b>		<b>\$1,764,722.60</b>	<b>\$6,941,809.23</b>	<b>\$(6,807,111.65)</b>	<b>\$1,899,420.18</b>	<b>\$646,179.72</b>	<b>\$1,252,430.26</b>	<b>\$</b>	<b>\$ 1,712.74</b>	<b>\$ (902.54)</b>	<b>\$1,899,420.18</b>

## AUDIT OPINION

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

Notwithstanding the exceptions below, the financial statements of the internal funds of the K-12 centers reported herein present fairly, in all material respects, the changes in fund balances from financial activity conducted during the 2015-2016 fiscal year up to the MSAF End Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 28-29), on the cash basis of accounting; and from the eSAS System Available Conversion Date (depending on the K-12 center audited, as noted in the Accounting System Conversion Schedule on pages 28-29) up to June 30, 2016, on the full accrual basis of accounting; and/or during the 2016-2017 fiscal year, on the full accrual basis of accounting, depending on the individual K-12 audited (whether a one-year or a two-year audit). Regarding Hialeah-Miami Lakes Adult Education Center, the financial statements of the internal funds of this center present fairly, in all material respects, the changes in fund balances arising from financial activity conducted during the 2015-2016 and/or 2016-2017 fiscal years, on the full accrual basis of accounting<sup>6</sup>.

As of June 30, 2016, for 16<sup>7</sup> schools/centers reported herein, total receipts and disbursements amounted to \$5,155,100 and \$(5,105,564), respectively; while total combined Fund Balance amounted to \$1,225,746 (Pages 10-11).

As of June 30, 2017, for all 26 schools/centers reported herein, total combined receipts and disbursements amounted to \$6,941,809 and \$(6,807,112), respectively; while total combined Fund Balance amounted to \$1,899,420 (Pages 12-14).

Notwithstanding the conditions and findings reported herein, as of June 30, 2017, the internal control structure at all 26 schools/centers generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools/centers. With respect to the items tested, the schools/centers were in general compliance with the policies and procedures in the Manual of Internal Fund Accounting, except for those instances of non-compliance identified and reported at the individual schools/centers.

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

*Maria T. Gonzalez*

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

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<sup>6</sup> K-12 centers migrated to the new eSAS (full accrual) accounting system during 2015-2016, while adult education centers/technical colleges migrated to the new eSAS (full accrual) accounting system in April 2015 (2014-2015).

<sup>7</sup> This report includes 15 K-12 centers and 1 adult education center with a two-year audit (2015-2016 and 2016-2017); and 10 K-12 centers with a one-year audit (2016-2017).

## INTERNAL CONTROLS RATING

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

SCHOOLS/CENTERS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>North Region Office Schools/Centers</u>							
Miami Carol City Senior		✓			✓		Likely to impact.
North Miami Senior		✓			✓		Likely to impact.
<u>Central Region Office Schools/Centers</u>							
Arcola Lake Elementary		✓			✓		Likely to impact.
Miami Central Senior		✓			✓		Likely to impact.
Miami Northwestern Senior		✓			✓		Likely to impact.
Booker T. Washington Senior		✓			✓		Likely to impact.

## INTERNAL CONTROLS RATING

The internal control ratings for the 20 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>							
Biscayne Elementary	✓			✓			Not Likely to impact.
Joella C. Good Elementary	✓			✓			Not Likely to impact.
South Pointe Elementary	✓			✓			Not Likely to impact.
Aventura Waterways K-8 Center	✓			✓			Not Likely to impact.
Ernest R Graham K-8 Academy	✓			✓			Not Likely to impact.
Lawton Chiles Middle	✓			✓			Not Likely to impact.
John F. Kennedy Middle	✓			✓			Not Likely to impact.
Miami Lakes Middle	✓			✓			Not Likely to impact.
Hialeah Gardens Senior	✓			✓			Not Likely to impact.
Miami Beach 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	
<u>Central Region Office Schools/Centers</u>							
Comstock Elementary	✓			✓			Not Likely to impact.
Toussaint L'Ouverture Elementary	✓			✓			Not Likely to impact.
Phyllis Ruth Miller Elementary	✓			✓			Not Likely to impact.
Southside Elementary	✓			✓			Not Likely to impact.
Carrie P. Meek/Westview K-8 Center	✓			✓			Not Likely to impact.
International Studies Preparatory Academy	✓			✓			Not Likely to impact.
<u>South Region Office Schools/Centers</u>							
Gulfstream Elementary	✓			✓			Not Likely to impact.
Dr. Edward L. Whigham Elementary	✓			✓			Not Likely to impact.
Homestead 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	
<u>Adult Education Center</u>							
Hiialeah-Miami Lakes Adult Education Center	✓			✓			Not Likely to impact.

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

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
7231	Miami Carol City Senior <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017	4	<ul style="list-style-type: none"> <li>• Bookkeeping</li> <li>• Disbursements</li> <li>• Yearbook Activity</li> <li>• Student Fundraising Act.</li> </ul>	1	<ul style="list-style-type: none"> <li>• Athletic Fund/Athletic Expenditures</li> </ul>
7591	North Miami Senior <sup>(b)</sup>	Int. Funds: 2015-2016 2016-2017	5	<ul style="list-style-type: none"> <li>• Receipts/Deposits</li> <li>• Disbursements</li> <li>• Yearbook Activity</li> <li>• Student Fundraising Act.</li> <li>• Culinary Serv. Activity</li> </ul>	4	<ul style="list-style-type: none"> <li>• Fund Misapp.</li> <li>• Fund Transfer</li> <li>• Rec./Dep.</li> <li>• Student Fund. Activity</li> </ul>
<u>Central Region Office Schools/Centers</u>						
0101	Arcola Lake Elementary <sup>(a)</sup>	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	2	<ul style="list-style-type: none"> <li>• Bookkeeping</li> <li>• FTE-ESOL</li> </ul>	3	<ul style="list-style-type: none"> <li>• Fund Misapp.</li> <li>• Prenumbered Forms</li> <li>• Summer Camp</li> </ul>
7251	Miami Central Senior <sup>(c)</sup>	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	1	<ul style="list-style-type: none"> <li>• FTE-ESOL &amp; SPED</li> </ul>	None	
7411	Miami Northwestern Senior <sup>(a)</sup>	Int. Funds: 2016-2017	1	<ul style="list-style-type: none"> <li>• Verification of Athletic Tickets/Game Reports/Analysis of Rev./Exp.</li> </ul>	3	<ul style="list-style-type: none"> <li>• Receipts</li> <li>• Disbursements</li> <li>• Financial Mgt.</li> </ul>
7791	Booker T. Washington Senior <sup>(c)</sup>	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	1	<ul style="list-style-type: none"> <li>• FTE-ESOL, SPED &amp; OJT</li> </ul>	None	
<b>TOTAL</b>			<b>14</b>		<b>11</b>	

Notes:

- (a) No change of Principal since prior audit. Current and Prior Findings under same Principal.
- (b) Change of Principal since prior audit (in July 2017). Current and Prior Findings happened under the tenure of former school administrations—three different administrators.
- (c) No Change of Principal since prior audit.



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

Summary of findings of the 20 schools/centers reported herein **without audit exceptions** are as follows:

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ <i>FTE Survey</i>	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
<u>North Region Office Schools/Centers</u>						
0321	Biscayne Elementary	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
2181	Joella C. Good Elementary	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
5091	South Pointe Elementary	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
0231	Aventura Waterways K-8 Center	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
5051	Ernest R Graham K-8 Academy	Int. Funds: 2015-2016 2016-2017 Title I: 2016-2017 Payroll 2016-2017 2017-2018 Data Security: 2017-2018	None		None	
6161	Lawton Chiles Middle	Int. Funds: 2015-2016 2016-2017	None		None	
6301	John F. Kennedy Middle	Int. Funds: 2015-2016 2016-2017	None		None	
6501	Miami Lakes Middle	Int. Funds: 2015-2016 2016-2017 Title I, P-Card & Payroll: 2016-2017 Data Security: 2017-2018	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
7191	Hialeah Gardens Senior	Int. Funds: 2015-2016 2016-2017 <i>FTE: 2016-17 SP3</i>	None		None	
7201	Miami Beach Senior	Int. Funds: 2016-2017	None		1	• Property Management
<u>Central Region Office Schools/Centers</u>						
0881	Comstock Elementary	Int. Funds: 2016-2017	None		None	
3051	Toussaint L'Ouverture Elementary	Int. Funds: 2016-2017 Payroll: 2017-2018	None		None	
3431	Phyllis Ruth Miller Elementary	Int. Funds: 2016-2017	None		None	
5321	Southside Elementary	Int. Funds: 2016-2017	None		None	
5901	Carrie P. Meek/Westview K-8 Center	Int. Funds: 2016-2017	None		None	
7571	International Studies Preparatory Academy	Int. Funds: 2016-2017	None		None	
<u>South Region Office Schools/Centers</u>						
2321	Gulfstream Elementary	Int. Funds: 2016-2017 Data Security: 2017-2018	None		None	
5981	Dr. Edward L. Whigham Elementary	Int. Funds: 2016-2017	None		None	

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

WORK LOC. NO.	SCHOOLS/CENTERS	AUDIT PERIOD	CURRENT AUDIT PERIOD FINDINGS		PRIOR AUDIT PERIOD FINDINGS	
		Fiscal Year(s)/ FTE Survey	Total Per Center	Area Of Findings	Total Per Center	Area Of Findings
7151	Homestead Senior	Int. Funds: 2015-2016 2016-2017 P-Card: 2017-2018	None		2	<ul style="list-style-type: none"> <li>• Disbursements (Internal Funds &amp; P-Card)</li> <li>• FTE</li> </ul>
<u>Adult Education Center</u>						
7132	Hialeah-Miami Lakes Adult Education Center	Int. Funds: 2015-2016 2016-2017	None		None	
<b>TOTAL</b>			None		3	

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

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

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>North Region Office Schools/Centers</u>			
7231	Miami Carol City Senior	Mr. Ja Marv R. Dunn	N/A = No Change of Principal Since Prior Audit.
7591	North Miami Senior <sup>(a)</sup>	Mr. Patrick Lacouty	Mr. Daryl Branton (Through July 2017; presently Principal at Miami MacArthur South Educational Center).
<u>Central Region Office Schools/Centers</u>			
0101	Arcola Lake Elementary	Dr. Cynthia L. Hannah	N/A = No Change of Principal Since Prior Audit.
7251	Miami Central Senior	Mr. Gregory M. Bethune	N/A = No Change of Principal Since Prior Audit.
7411	Miami Northwestern Senior	Mr. Wallace Aristide	N/A = No Change of Principal Since Prior Audit.
7791	Booker T. Washington Senior	Mr. William Aristide	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (12 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals/administrators, as applicable for the 20 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>			
0321	Biscayne Elementary	Mrs. Karen D. Villalba-Belusic	N/A = No Change of Principal Since Prior Audit.
2181	Joella C. Good Elementary	Ms. Lizette G. O'Halloran	N/A = No Change of Principal Since Prior Audit.
5091	South Pointe Elementary	Ms. Melanie B. Fishman	N/A = No Change of Principal Since Prior Audit.
0231	Aventura Waterways K-8 Center	Mr. Luis A. Bello	N/A = No Change of Principal Since Prior Audit.
5051	Ernest R Graham K-8 Academy	Ms. Mayra Alfaro	N/A = No Change of Principal Since Prior Audit.
6161	Lawton Chiles Middle <sup>(a)</sup>	Ms. Stephanie M. Tudor	Mr. Nelson Izquierdo (Through December 2017; presently Administrative Director, Labor Relations).
6301	John F. Kennedy Middle <sup>(a)</sup>	Mr. Bernard L. Osborn	Mrs. Mary Kate Parton (Through July 2017; presently Principal at David Lawrence Jr. K-8 Center).
6501	Miami Lakes Middle	Dr. Manuel Sanchez III	N/A = No Change of Principal Since Prior Audit.
7191	Hialeah Gardens Senior	Dr. Louis J. Algaze	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (12 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
7201	Miami Beach Senior <sup>(a)</sup>	Dr. Maria T. Rodriguez	Mr. John J. Donohue (Through July 2017; presently Principal at Henry H. Filer Middle School).
<u>Central Region Office Schools/Centers</u>			
0881	Comstock Elementary <sup>(a)</sup>	Dr. Orna L. Campbell Dumeus	Ms. Adrian M. Rogers (Through June 2017; presently Principal at Liberty City Elementary School).
3051	Toussaint L'Ouverture Elementary <sup>(a)</sup>	Dr. Lilia A. Dobao	Ms. Marchel D. Woods (Through June 2017; presently Principal at Carrie P. Meek/Westview K-8 Center).
3431	Phyllis Ruth Miller Elementary <sup>(a)</sup>	Dr. Donna M. Lewis	Ms. Carmen A. Boyd (Through November 2017; presently on leave).
5321	Southside Elementary <sup>(a)</sup>	Ms. Annette DeGoti	Mr. Salvatore Schiavone (Through July 2017; retired).
5901	Carrie P. Meek/Westview K-8 Center <sup>(a)</sup>	Ms. Marchel D. Woods	Ms. Tracey D. Crews (Through June 2017; presently Principal at Dr. Toni Bilbao Preparatory Academy).
7571	International Studies Preparatory Academy <sup>(a)</sup>	Dr. Alina M. Diaz-Blanco	Mr. Alejandro Pérez (Through June 2017; presently Regional Administrative Director, Central Region Office).
<u>South Region Office Schools/Centers</u>			
2321	Gulfstream Elementary <sup>(a)</sup>	Ms. Marybel R. Baldessari	Ms. Yubeda Miah (Through October 2017; retired).
5981	Dr. Edward L. Whigham Elementary <sup>(a)</sup>	Ms. Kathryn B. Guerra	Ms. Cynara Suarez (Through August 2017; resigned).
7151	Homestead Senior	Mr. Guillermo A. Muñoz	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (12 schools/centers).

## LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools/Centers	Current Principal(s)/Administrator(s)	Former Principal(s)/Administrator(s)
<u>Adult Education Center</u>			
7132	Hialeah-Miami Lakes Adult Education Center	Mr. Alexis Cazañas	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal/Site Administrator at this school/center since prior audit (12 schools/centers).

## ACCOUNTING SYSTEM CONVERSION SCHEDULE

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

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	“Go Live” Session Scheduled Date
<u>North Region Office Schools/Centers</u>					
0321	Biscayne Elementary	Cohort 2	1/27/16	2/1/16	2/3/16
2181	Joella C. Good Elementary	Cohort 2	1/27/16	2/1/16	2/4/16
5091	South Pointe Elementary	Cohort 3	2/24/16	3/1/16	3/3/16
0231	Aventura Waterways K-8 Center	Cohort 2	1/27/16	2/1/16	2/3/16
5051	Ernest R Graham K-8 Academy	Cohort 1	11/24/15	12/1/15	12/3/15
6161	Lawton Chiles Middle	Cohort 1	11/24/15	12/1/15	12/2/15
6301	John F. Kennedy Middle	Cohort 1	11/24/15	12/1/15	12/3/15
6501	Miami Lakes Middle	Pilot	9/29/15	10/1/15	10/5/15
7191	Hialeah Gardens Senior	Cohort 1	11/24/15	12/1/15	12/2/15
7201	Miami Beach Senior <sup>(a)</sup>				
7231	Miami Carol City Senior	Cohort 2	1/27/16	2/1/16	2/5/16
7591	North Miami Senior	Cohort 2	1/27/16	2/1/16	2/5/16
<u>Central Region Office Schools/Centers</u>					
0101	Arcola Lake Elementary	Cohort 3	2/24/16	3/1/16	3/2/16
0881	Comstock Elementary <sup>(a)</sup>				
3051	Toussaint L'Ouverture Elementary <sup>(a)</sup>				
3431	Phyllis Ruth Miller Elementary <sup>(a)</sup>				

Note:

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



## ACCOUNTING SYSTEM CONVERSION SCHEDULE

Work Loc. No.	Schools/Centers	Group Designation	MSAF End Date	eSAS Available Conversion Date	"Go Live" Session Scheduled Date
5321	Southside Elementary <sup>(a)</sup>				
5901	Carrie P. Meek/Westview K-8 Center <sup>(a)</sup>				
7571	International Studies Preparatory Academy <sup>(a)</sup>				
7251	Miami Central Senior	Cohort 2	1/27/16	2/1/16	2/5/16
7411	Miami Northwestern Senior <sup>(a)</sup>				
7791	Booker T. Washington Senior	Cohort 2	1/27/16	2/1/16	2/5/16
<u>South Region Office Schools/Centers</u>					
2321	Gulfstream Elementary <sup>(a)</sup>				
5981	Dr. Edward L. Whigham Elementary <sup>(a)</sup>				
7151	Homestead Senior	Cohort 1	11/24/15	12/1/15	12/3/15
<u>Adult Education Center</u>					
7132	Hialeah-Miami Lakes Adult Education Center <sup>(b)</sup>				
<b>TOTAL</b>		<b>26 schools/centers</b>			

Notes:

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

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

## PROPERTY SCHEDULE

The results of the property inventories of the 26 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>								
0321	Biscayne Elementary	121	\$ 277,077	-	-	-	-	-
2181	Joella C. Good Elementary	167	378,311	-	-	-	-	-
5091	South Pointe Elementary	50	129,810	-	-	-	-	-
0231	Aventura Waterways K-8 Center	504	1,024,175	-	-	-	-	-
5051	Ernest R Graham K-8 Academy	270	585,299	-	-	-	-	-
6161	Lawton Chiles Middle	485	1,145,400	-	-	-	-	-
6301	John F. Kennedy Middle	627	1,033,437	-	-	-	-	-
6501	Miami Lakes Middle	362	721,346	-	-	-	-	-
7191	Hialeah Gardens Senior	648	2,298,297	-	-	-	-	-
7201	Miami Beach Senior	572	1,529,130	-	-	-	24	\$42,247

## PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7231	Miami Carol City Senior	687	2,596,104	-	-	-	-	-
7591	North Miami Senior	657	2,308,535	-	-	-	-	-
<u>Central Region Office Schools/Centers</u>								
0101	Arcola Lake Elementary	96	213,257	-	-	-	-	-
0881	Comstock Elementary	199	384,025	-	-	-	2	15,035
3051	Toussaint L'Ouverture Elementary	89	204,838	-	-	-	1	1,869
3431	Phyllis Ruth Miller Elementary	174	476,848	-	-	-	-	-
5321	Southside Elementary	86	302,910	-	-	-	-	-
5901	Carrie P. Meek/Westview K-8 Center	204	515,641	-	-	-	-	-
7571	International Studies Preparatory Academy	125	362,300	-	-	-	-	-
7251	Miami Central Senior	692	2,807,360	-	-	-	-	-
7411	Miami Northwestern Senior	668	2,565,054	-	-	-	-	-

## PROPERTY SCHEDULE

Work Location No.	Schools/Centers	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
7791	Booker T. Washington Senior	674	2,192,090	-	-	-	-	-
<u>South Region Office Schools/Centers</u>								
2321	Gulfstream Elementary	182	373,296	-	-	-	-	-
5981	Dr. Edward L. Whigham Elementary	128	301,468	-	-	-	-	-
7151	Homestead Senior	531	1,442,364	-	-	-	-	-
<u>Adult Education Center</u>								
7132	Hialeah-Miami Lakes Adult Education Center	17	54,058	-	-	-	-	-
<b>TOTAL</b>		<b>9,015</b>	<b>\$ 26,222,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>\$ 59,151</b>

## PROPERTY SCHEDULE

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

Work Location No.	Schools/Centers	No. Of Plant Security Reports	Total Items	Total Amount At Cost	Categories			Total Depreciated Value
					Computers	Audio Visual	Other <sup>(a)</sup>	
<u>Central Region Office Schools/Centers</u>								
3051	Toussaint L'Ouverture Elementary	1	4	\$ 6,241	\$ -	\$ -	\$ 6,241	\$ 370
3431	Phyllis Ruth Miller Elementary	1	2	2,990	-	2,990	-	-
7251	Miami Central Senior	1	1	1,500	-	-	1,500	509
7411	Miami Northwestern Senior	2	6	12,619	-	3,781	8,838	1,240
7791	Booker T. Washington Senior	1	5	7,368	7,368	-	-	-
<b>TOTAL</b>		<b>6</b>	<b>18</b>	<b>\$ 30,718</b>	<b>\$ 7,368</b>	<b>\$ 6,771</b>	<b>\$ 16,579</b>	<b>\$ 2,119</b>

Note:

(a) "Other" equipment included several air conditioning units and scanners, a cash register, an ice machine, a lawn mower, welding equipment and a display case.

## **FINDINGS AND RECOMMENDATIONS**

### **1. Inadequate Controls Over The Bookkeeping Function Resulted In Disorganized And Incomplete Records, Account Discrepancies, And Unpaid Invoices. Some Recurrent Conditions *Miami Carol City Senior High School***

Upon our initial visit to the school in September 2017, we found that the internal funds records for the 2015-2016 and 2016-2017 fiscal years were not in proper order, or were incomplete. Two individuals handled the functions of the school Treasurer at different times throughout the two fiscal years under review. At present, the current Treasurer was hired in July 2017, and has no prior bookkeeping experience in a high school setting.

We experienced instances during the audit where school staff and administration were unable to provide the information that we requested in a timely manner, and it required contacting many vendors to inquire about outstanding liabilities and payments. Therefore, performance of the audit required additional time and effort to complete. Upon contacting the vendors, it was determined that a specific vendor has not been paid for services rendered over a two-year time span.

In addition, regarding the overall conditions of the financial activities, similarly to conditions disclosed in the previous audit, we again noted that several internal fund accounts had closed the year with deficit balances. We also noted that several other accounts had not experienced any financial activity and had remained dormant for the past two fiscal years; and a clearing account that had not been processed accordingly by the end of the fiscal year or after the year had closed. Details follow:

#### *Outstanding Liability Discovered During The Audit*

- 1.1. As of the completion of the audit, approximately \$15,000 remained outstanding payment to a vendor for past due invoices dating back to the 2015-2016 fiscal year. These invoices mostly related to graduation regalia and included the rental of student cap and gowns, faculty cap and gowns, diplomas, and other graduation accessories. Upon review of the related account balances that should be used to cover these outstanding payments, it appears that the school may not have sufficient funds to pay the entire outstanding balance. This condition was referred to the Division of Internal Fund Accounting in the Office of the Controller for their information and follow-up with the school.

### *Deficit Account Balances*

*Pursuant to Section III, Chapter 8 of the Manual of Internal Fund Accounting, schools must not end the fiscal year with a negative balance in a Classes and Clubs or Trust Program Account.*

- 1.2. At June 30, 2017, eight accounts closed the fiscal year with deficit balances totaling approximately \$(3,700) in the aggregate. These accounts included six Classes/Club Program accounts (including the Yearbook account) and two Trust Program accounts. It appears that the deficit balances resulted from overspending and posting errors throughout the year. As of the audit, several accounts still disclose a deficit balance that has not been corrected by the school administration, pending assistance from Internal Fund Accounting.

### *Dormant Accounts*

- 1.3. Our review of the account balances and related financial activity for fiscal year 2016-2017 disclosed that seven accounts totaling approximately \$1,980 remained dormant for several years. These included a Band Program account, three Trust Program accounts, and a Production/Service account.

Regarding the deficit balances and the dormant accounts, the particular details were discussed with the school administration for their information and follow-up.

### *Athletic Program and Game Official's Clearing Account (New account under eSAS)*

- 1.4. At June 30, 2017, the Game Official's Clearing account (1139)<sup>8</sup> closed the year with a balance of approximately \$720. According to the guidelines, the account should be zeroed by year-end. We reviewed the account activity for the 2017-2018 fiscal year and did not note any transactions related to the prior year that would clear the balance after-the-fact.

We reviewed the account and confirmed that these funds involved several checks issued to the Athletic Business Manager for which the supporting *Compensation for Athletic Game Officials Form* [FM-6697] documenting the cash payments received by the officials for officiating sporting events was not on file. We also found that this information was never inputted in the system to clear the account. After our inquiries,

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<sup>8</sup> This clearing account was established in the new electronic student accounting system (eSAS) to solely process those checks issued to the school's Athletic Business Manager for paying game officials and other staff members working in sports events of the school (such as ticket seller, security, timekeeper, etc.); and capture/charge the individual expenditures back to the Athletic Program once the paperwork is completed by the Athletic Business Manager and submitted to the Treasurer for processing.

we were informed by the Athletic Business Manager that she had given the documentation to one of the former Treasurers, who was supposed to have processed the information; however, the Athletic Business Manager did not keep copies for her records and apparently did not follow up on this pending issue. This former Treasurer no longer works in the school system.

## **RECOMMENDATIONS**

- 1.1. The school administration should assign an administrator to oversee the internal funds activity and the records to ensure they are properly organized and filed. This is of critical importance given the size and financial activity in a senior high school setting.**
- 1.2. The school administration should not approve expenditures unless sufficient funds are available in the account. As a good control measure, the Principal should request a printout of the individual account balance before signing any checks planned to be charged to the account.**
- 1.3. Regarding dormant accounts, the assigned administrator should periodically review the accounts and discuss with the Principal the future use of these funds, if no activity is foreseen during the current year.**
- 1.4. The school administration should request immediate assistance from the Internal Funds Accounting Division to resolve the matter of the Game Officials Clearing account's year-end balance. Going forward, the school administration should ensure that the account is cleared by year-end.**
- 1.5. Regarding the bookkeeping records that were not found at the school, the school administration should direct staff to safeguard the records in a secure place and not to remove official records from the school.**



**Person(s) Responsible:**

**Principal/Designee, Sponsors,  
Activities Director, And Treasurer**

**Management Response:**

The Principal has made a change and has assigned another Assistant Principal to oversee internal funds activities and records to ensure that they are properly organized and filed. The Principal has met with the Assistant Principal and new Treasurer to thoroughly review the Manual of Internal Fund Accounting and will request assistance from the District's assigned Business Manager to further provide support and ensure compliance.

The Principal has instructed the Assistant Principal to meet weekly with the Treasurer to review individual account balances for accuracy. Prior to approving expenditures and signing checks, the Principal will request a printout of the individual account balance to ensure sufficient funds are available prior to signing any checks that will be charged to the account.

The Principal and Assistant Principal will meet with the Treasurer bi-weekly to review all accounts, identify dormant accounts and follow internal fund policies and procedures for use of future said funds. If an account is dormant for more than two years, the Principal will request approval from the Region and District to transfer funds to the general miscellaneous account.

The Principal and Treasurer are working collectively with the Internal Funds Accounting Division and the Division of Athletics and Activities to resolve the Game Officials Clearing account's year-end balance in order to ensure the account will be cleared and balanced by year-end.

The Principal has directed the Treasurer to safeguard the bookkeeping records in a secure place in her office and to ensure they are not removed from school grounds.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the Assistant Principal and new Treasurer to ensure that bookkeeping functions are organized, records are complete and invoices are paid in a timely and accurate manner. The Principal will thoroughly review the Manual of Internal Fund Accounting with the Assistant Principal and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to assign an Assistant Principal to oversee the internal funds activity and records to ensure they are properly organized and filed. The Principal was also instructed to schedule frequent meeting times with the assigned Business Manager to provide additional support to the new Treasurer and ensure compliance.

The Principal was instructed to meet bi-weekly with the Assistant Principal and Treasurer to review all bookkeeping records for organization and accuracy and to be prepared to address any discrepancies and seek further assistance in a timely manner.

Additionally, the Principal was instructed to review dormant accounts and to ensure he requests Region and District approval to transfer inactive account funds to the general miscellaneous account in order to utilize the funds accordingly.

The Principal was instructed to work with the assigned Business Manager and the Division of Athletics and Activities to resolve the matter of the Game Officials Clearing accounts year-end balance. Additionally, the Principal was instructed to direct the new Treasurer to safeguard all records and to not remove any official records from the school.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, mentors have been assigned to work with the new Treasurer, Athletic Director. Athletic Business Manager and Activities Director to serve as immediate liaisons to answer questions or concerns regarding responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

School Operations has reviewed the audit findings cited in the 2015-2016 and/or 2016-2017 fiscal year reports of the following schools reporting to the North and Central Region Office: Arcola Lakes Elementary School; Booker T. Washington Senior High; Miami Northwestern Senior High; Miami Central Senior High; Miami Carol City Senior High and North Miami Senior High.

The following preventive actions will be taken through School Operations:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls are in place for: assessing FTE records and procedures prior to FTE Survey Week; adequate controls are in place as it relates to recordkeeping and bookkeeping functions, as well as, timely depositing and receipting of Internal Funds are current; and to ensure that athletic ticket inventories and game reports are prepared according to guidelines.
- School Operations in collaboration with the Region Centers will coordinate colleague to colleague support through Fiscal Review Team site visits to provide support in Fiscal and Organizational Management.
- School Operations has created a group on Workplace for Principals to utilize as a resource that provides and encourages best practices between colleagues.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and the Regions' Scaled Leadership meetings during *Money Smarts* sessions.

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

**2. Controls  
Over Disbursements  
Need Strengthening  
Miami Carol City Senior High School**

Our review of disbursements for the 2016-2017 fiscal year disclosed that the school did not always follow the proper procedures for making and documenting disbursements, for paying in a timely manner, and for not paying sales tax when required. In addition, the school was unable to provide vendor quotations for purchases of \$1,000 or more; therefore, not meeting the requirement for a minimum of three vendor quotations and/or selection of certified minority vendors for disbursements. We extended our review to the current year up to mid-October 2017 and some of these same conditions continued to recur. The most prevalent condition was the matter of the late payments.

We reviewed a total of 50 disbursements for 2016-2017 and 2017-2018 fiscal years up to October 15, 2017. Of this total, 31 disbursements<sup>9</sup> disclosed the following non-compliance with the disbursement guidelines:

Pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary documentation to show that the lowest price was selected.

- 2.1. In 13 instances (14 disbursements, of which two corresponded to the current year), individual purchases of \$1,000 or more were not supported with the minimum of three written vendor quotations, including one from a certified minority enterprise. Items purchased included sports equipment, prom decorations, uniforms, apparel and various supplies. Furthermore, two of these instances are indicative of split purchases. Both disbursements were documented with several invoices dated on the same date or close together of less than \$1,000 each for the purchase of similar items. One instance involved the purchase of computer supplies, while the other involved the purchase of athletic polo shirts. All 13 purchases totaled approximately \$28,800.

According to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, the disbursements must be documented with an original itemized vendor invoice, which must be signed by the individual receiving the goods/services to acknowledge the receipt of goods/services and to indicate that payment is in order. In addition, payments

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<sup>9</sup> Several disbursements were supported with multiple invoices. The 31 disbursements in question were supported with a total of 61 vendor invoices.

to vendors must be made within thirty (30) days of satisfactory receipt of goods/services, unless the school obtains written agreements with the vendors to delay payment. Furthermore, Section IV, Chapter 9 of the *Manual* states that the State of Florida's sales tax provisions apply to all schools when the school acts as a "retailer" and sells items to students, staff and guest; or when items are purchased to give away for personal use (not purchased for the property of the school).

- 2.2. In 47 instances (22 disbursements), vendors were paid between a few days and a little over a year after payment was due (in excess of thirty days). These were noted in both 2016-2017 and the current year. The total amount invoiced was approximately \$24,700.
- 2.3. In 17 instances (11 disbursements), the invoices were not signed to indicate acknowledgment of receipt of goods/services. All corresponded to the 2016-2017 fiscal year. These totaled approximately \$16,600.
- 2.4. In 14 instances (6 disbursements), sales tax was not paid to the State of Florida Department of Revenue. These were noted in both 2016-2017 and the current year. Items purchased included T-shirts, polo shirts, jackets and tote bags. A total of approximately \$990 is due to the State of Florida Department of Revenue.

## **RECOMMENDATIONS**

- 2.1. **Regarding the matter of the written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should ensure that the lowest quotation is selected. All should be filed with the disbursement documentation. In addition, the school administration should discuss with staff that the splitting of purchases to circumvent the requirements is not allowed.**
- 2.2. **The school administration should direct the current Treasurer to pay vendors according to timelines. In addition, the school administration should not sign any checks unless the disbursement includes all necessary documentation.**
- 2.3. **The school administration's designee over internal funds should review the disbursements with the current Treasurer to ensure that the documentation is maintained according to the guidelines. Any non-compliance noted during these periodic reviews should be addressed immediately.**
- 2.4. **The school should pay the outstanding sales tax.**

**Person(s) Responsible:**

**Principal/Designee And Treasurer**

**Management Response:**

The Principal directed staff to solicit three vendor quotations for all purchases over \$1,000.00 including one from a certified minority as required by the guidelines and ensure that the lowest quotation is selected. The Principal and Assistant Principal will meet bi-weekly with the Treasurer to ensure all quotations are properly filed with the disbursement documentation. Additionally, the Principal met with the staff and discussed splitting purchases to circumvent the requirement is not allowed.

The Principal has reviewed the timeline procedures with the Treasurer for making payments and has directed her to pay vendors in a timely manner. School administration will not sign checks unless the necessary documentation is attached.

The Principal and Assistant Principal will review disbursements with the Treasurer to ensure the necessary documentation is maintained according to the guidelines and is in compliance. Following such reviews, should there be any concerns, the Principal will seek assistance immediately. Moving forward, the school administration will not sign any checks unless disbursements include the necessary documents.

The Principal is working with the Treasurer to ensure the outstanding sales tax will be paid. The Treasurer has requested new invoices from identified vendors with the sales tax applied. Upon receipt, the Principal will ensure the Treasurer makes the appropriate payments.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that controls over disbursements are strengthened. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting and School Board Policy 6610, Internal Accounts, with the Assistant Principal and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to direct staff to ensure compliance of soliciting quotations for purchases over \$1,000.00 including one from a certified minority and ensure that the lowest quotations is selected. Additionally, the Principal was instructed to direct the Treasurer not to split purchases and to ensure all quotations are filed with the disbursement documentation.

The Principal was instructed to direct the Treasurer to pay vendors according to timelines and not to sign any checks unless the disbursement includes all necessary documentation.

The Principal was instructed to ensure that the Assistant Principal meets weekly with the Treasurer to review files for accuracy and that the Principal himself meet bi-weekly with the Assistant Principal to ensure procedures for soliciting quotations, making and documenting disbursements, paying invoices in a timely manner and paying sales tax when required are completed following guidelines.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer to serve as an immediate liaison to answer questions or concerns regarding her disbursement responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Carol City Senior High School.

**3. Inadequate Controls  
Over Yearbook  
Activity  
Miami Carol City Senior High School**

Our review of the yearbook activity for the audit period disclosed a number of errors and omissions in the reports corresponding to this activity. Furthermore, for the 2016-2017 fiscal year, close to 50 percent of the books ordered were left unsold and the activity did not generate sufficient revenues to cover all associated expenditures. Consequently, the account closed with a deficit balance. Details follow:

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

- 3.1. For the 2016-2017 fiscal year, the school ordered 126 yearbooks. Of the 126 yearbooks, the school sold only 59 yearbooks (47%), distributed 2 yearbooks as complimentary and listed 65 books as unsold at the end of the year with a total cost of approximately \$3,770. Our verification of the year-end inventory of unsold books disclosed that these yearbooks remained at the school<sup>10</sup>.
- 3.2. Although the yearbook sold for an average price of \$65, which was approximately \$7 above cost, given the low sales, the activity could not cover all associated expenditures for printing the books and closed the fiscal year with a deficit balance of approximately \$(2,400).
- 3.3. Yearbook related reports were not always on file and/or contained errors. These included vendor on-line sales, the Distribution Report [FM-1031] and Monthly Operating Reports [FM-1030].
- 3.4. During 2016-2017, one student made eight separate online yearbook purchases (using the parent's personal credit card) of \$70 each. Based on documentation

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<sup>10</sup> During the 2015-2016 fiscal year, most of the yearbooks ordered (146) were sold (132) and the account closed with a balance of almost \$1,000. Same yearbook sponsor during both fiscal years.



on file at the school, the student received the eight books, even though the parent's credit card was ultimately credited for the cost of seven books. There is no record that the student returned the seven books in question and the school absorbed the \$490 charges. The charges were disputed by the parent after the student graduated and left the school.

## **RECOMMENDATIONS**

- 3.1. Given the noted decrease in the students' demand for yearbooks, reassess the feasibility of the yearbook activity for the coming year. If the school plans to conduct the activity for 2017-2018, discuss the yearbook activity with the sponsor and ensure he/she is of aware prior results to plan the strategy for the coming year.**
- 3.2. Strengthen oversight of the sales campaign to increase sales and reduce the number of unsold books in the coming year.**
- 3.3. Monitor on-line sales to ensure that there are no discrepancies.**
- 3.4. Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed.**
- 3.5. Ensure that the yearbook's unit sales price is set as close to the yearbook's unit cost as possible.**

**Person(s) Responsible:**

**Principal/Designee,  
Yearbook Sponsor And Treasurer**

**Management Response:**

The Principal met with the Yearbook Sponsor to evaluate activity for the previous school year and the current school year. Based on this review, the school has ordered half as many yearbooks for the 2017-2018 school year.

The Principal and Yearbook Sponsor have met to establish a plan to strengthen the oversight of the sales campaign to increase sales and reduce the number of unsold books in the 2017-2018 school year.

The Principal will monitor the on-line sales for yearbooks with the Treasurer during the 2017-2018 school year in order to avoid recurrence of on-line sales discrepancies.

The Principal and Assistant Principal have met with the Yearbook Sponsor and Treasurer to review the procedures and to ensure reports are correctly prepared and all required documentation is filed and signed following guidelines.

The Principal and Yearbook Sponsor have met to discuss and set the 2017-2018 yearbook's unit sales price as close to the yearbook's unit cost as possible.

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

**Management Response:**

The North Region Office Financial Human Capital Director and the Principal established a plan to implement and monitor with the Assistant Principal, Yearbook Sponsor and Treasurer to ensure controls are strengthened over yearbook activity. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting, Section IV, Chapter 6 with the Treasurer Yearbook Sponsor and Assistant Principal to ensure understanding of procedures and guidelines of yearbook activity.

The Principal was instructed to discuss the yearbook activity with the sponsor in order to reduce the number of books ordered for the 2017-2018 school year and strengthen the sales campaign to ensure increased sales and reduce the number of unsold books.

The Principal was instructed to monitor on-line yearbook sales with the Treasurer to avoid discrepancies moving forward and ensure that the yearbook's unit sales price is set as close to the yearbook's unit cost as possible. Additionally, the Principal was instructed to direct the Assistant Principal to meet weekly the Treasurer and Yearbook Sponsor and the Principal himself to meet with the Assistant Principal bi-weekly to ensure reports are correctly prepared and all required documentation is filed and signed.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer and Yearbook Sponsor to serve as an immediate liaison to answer questions or concerns regarding yearbook activity responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Carol City Senior High School.

**4. Ineffective Controls Over Fundraising/Student Activities Resulted In Discrepancies. Recurrent Condition From Prior Audit**  
***Miami Carol City Senior High School***

At this school, our follow-up to similar conditions discussed in the prior audit regarding fundraising/student activities disclosed some recurrent conditions during this audit. These require the attention of the school administration for corrective action. Our concerns related to the preparation and filing of Student Activity Operating Reports, the completion of the Activity Log; and analysis of revenues and expenditures of selected student activities.

For this audit, our review of selected student activities for the 2015-2016 and 2016-2017 fiscal years encompassed the Homecoming Dance, the Senior Prom and the Senior Grad Bash activities. Details follow:

Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* establishes the procedures for conducting fundraising activities. Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Also, the school must maintain a Fundraising Activities Log [FM-6672] to record all fundraising activities approved by the administration and conducted by the school. This documentation is to remain on file at the school for audit purposes.

- 4.1. For the 2016-2017 fiscal year, the Activity Log [FM-0997], the Student Activity Operating Reports [FM-0996] and the Application for Fundraising Activities [FM-1018] *were not completed by staff for the entire 2016-2017 fiscal year*. Upon our inquiries and according to the acting Activities Director (who took over the position when the former Activities Director went on extended leave), *the reports were to be prepared by one of the former Treasurers who no longer works with the school system*. Our review of the 2015-2016 fiscal year records disclosed that the Student Activity Operating Report and Application for Fundraising Activities for the Senior Prom and Homecoming Dance could not be located in the files.
- 4.2. Similar to the prior audit, our analysis of revenues and expenses of the Senior Prom and Homecoming Dance for both the 2015-2016 and 2016-2017 fiscal years disclosed that ticket sales did not agree to the number of meals and seats contracted for each event, and in some instances differed by significant amounts. Specifically, for the 2016-2017 fiscal year, the school documented the sale of 242 tickets at \$80 each, yet the invoice was for 300 meals. Based on the invoice, our revenue projections would have resulted in a shortfall of \$(4,720). For

Homecoming, 111 tickets were sold; however, the invoice was for 100 meals. This would have resulted in a surplus of \$910. Similarly, for the 2015-2016 fiscal year, Homecoming tickets sold amounted to 168 while the invoice was for 130 meals for a surplus of approximately \$1,500.

- 4.3. Our revenue and expenditure analysis of the Senior Grad-Bash field trip for the 2016-2017 fiscal year yielded a profit of approximately \$950; however, these funds were not refunded to the students, but carried over in the account for the next fiscal year.
- 4.4. Similar to the prior audit, student refunds were not consistently processed or documented. Specifically, one activity was cancelled and the school organized an alternative activity. Several students chose not to participate in the alternative activity and were refunded. However, the Refund Sheet [FM-0993] was not completed for the monies refunded to students.
- 4.5. Upon review of financial activity related to fundraisers, we noticed that the fundraising activities were not always sub-ledgered in separate accounts for clear accountability.

## RECOMMENDATIONS

- 4.1. **Review the procedures with sponsors and affected staff in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* to ensure awareness and understanding of the requirements for conducting fundraising activities.**
- 4.2. **Strengthen the overall monitoring/review of the individual fundraising activity to ensure that discrepancies are *promptly identified and resolved*. Ensure that fundraising records are properly safeguarded and direct staff not to remove any official records from the school.**

**Person(s) Responsible:**

**Principal/Designee, Sponsor,  
Activities Director And Treasurer**

**Management Response:**

The Principal met with the Assistant Principal, Activities Director and Treasurer as well as sponsors and affected staff to review the procedures in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* to ensure awareness and understanding of the requirements for conducting fundraising activities. The Principal has requested additional assistance from the District's Business Manager to provide support and ensure compliance as needed.

The Principal has established procedures to strengthen the overall monitoring/review of the individual fundraising activity to ensure discrepancies are identified and resolved immediately upon finding. The Assistant Principal will meet weekly with the Activities Director and Treasurer to review all current fundraising activity. The Principal will meet bi-weekly with the Assistant Principal to review all fundraising activity and ensure all protocols are in place. Furthermore, the Principal has instructed staff to ensure that fundraising records are properly safeguarded and that official records are not removed from school grounds.

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

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Activity Director, and Treasurer to implement and monitor to ensure that controls over fundraising/student activities are strengthened across the board to avoid discrepancies. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting, Section IV, Chapter 2, with the Treasurer, Activities Director and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was instructed to direct the Assistant Principal to meet with the Activities Director and Treasurer on a weekly basis and the Principal himself to meet with the Assistant Principal on a bi-weekly basis to ensure procedures are being followed in regards to the preparation and filing of Student Activity Operating Reports (form 0996) and Activity Logs (form 0997).

The Principal was directed to ensure that discrepancies of individual fundraising activity are promptly identified and resolved, records are safeguarded, and that staff is directed not to remove any official records from the school.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer and the Activities Director to serve as an immediate liaison to answer questions or concerns regarding fundraising procedures and responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Carol City Senior High School.

**5. Insufficient Controls  
Over Receipting  
And Depositing  
Procedures.  
Recurrent Condition  
From Prior Audits  
*North Miami Senior High School***

At this school, for the 2015-2016 and 2016-2017 fiscal years, and at the onset of the 2017-2018 fiscal year, our review of receipts and deposits disclosed delays, both in the remittance and deposit of collections. Details are as follows:

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* establish the policies and procedures regarding the collection, recording, and depositing of money generated from Internal Fund activities. Furthermore, *Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools* implemented utilization at the Collections/Deposits Log [FM-7249]. Consistent use of this form is required to ensure that the school administration is fully aware of any collections held at the school overnight or over the weekend pending deposit. According to the *Weekly Briefing* procedures, schools must log the deposit and sign the form by two designated individuals at the time the funds are placed in the secure area, and when funds are removed from the safe area for deposit.

A follow up to prior audit issues required an extensive review of receipts and deposits. We sampled 17 separate receipts and their corresponding deposit packages during the audit period up to September 1, 2017. Although conditions improved when compared to prior audit results, since nothing indicated a misappropriation of funds<sup>11</sup>, our review continued to identify the following discrepancies in 13 of the 17 instances reviewed:

5.1. In five of the 13 instances during the two-year audit period, delays in the remittance of collections ranged from 7 days to 57 days. These involved collections from a Class of 2017 in-county field trip, an out-of-county field trip to Orlando during Halloween time, a fundraiser, student uniforms, and admissions to Grad Bash. In most instances, collections were handled by the Activities Director.

We also noted some deposit delays at the beginning of the 2017-2018 fiscal year, during the changeover of administration, where collections for Cheerleader uniforms made in July 20, 2017, were not deposited until August 3, 2017. In addition, collections for the sale of Jamaican patties and Athletic insurance collected during the last week of August 2017, stayed at the school over the weekend and were not deposited until the following Thursday, on September 1, 2017.

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<sup>11</sup> We reported a misappropriation of funds at this school during the prior audit (under the tenure of a former Treasurer and former school administration).



- 5.2. In six other instances, collections that remained at the school over the weekend were not listed in the Collection/Deposit Log until the day that they were posted in the accounting system *the following week*. Therefore, we could not readily determine whether the sponsor delayed their remittance, or whether the former Treasurer received the collections but did not process them until after the weekend. These delays involved 3-4 days.
- 5.3. In three instances, collections awaiting deposit to the bank were not listed in the Collection/Deposit Log". These included two instances corresponding to a deposit of approximately \$29,000 made in October 19, 2016. This deposit included collections apparently made between October 14 and October 18, 2016.
- 5.4. Upon our inquiries, we found that the armored car pick up service only comes twice a week, before Friday. Therefore, collections may be delayed for deposit and/or stay at the school over the weekend.

## **RECOMMENDATIONS**

- 5.1. **The new school administration should discuss with sponsoring faculty, the Activities Director and staff the timelines for receipting and depositing student collections for awareness and understanding and for compliance with timelines.**
- 5.2. **The new school administration should designate an administrator to oversee the internal funds activity on a day-to-day basis; and should meet with this administrator periodically to discuss progress and non-compliant matters discovered that required corrective action.**
- 5.3. **The new school administration should direct the new Treasurer to process collections in a timely manner, and to bring to the attention of the school administration's designee any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.**
- 5.4. **The new school administration should direct the Treasurer to utilize the Collection/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry over this requirement along with the Treasurer.**
- 5.5. **Periodically, the designee should meet with the Treasurer to ensure the timeliness of the remittances, the deposits of collections, and the proper implementation of the Collection/Deposit Log.**
- 5.6. **Consider scheduling the armored car pick-up service more frequently (than twice per week) to prevent deposit delays.**

**Person(s) Responsible:**

**Principal/Designee, Sponsors,  
Activities Director And Treasurer**

The new Principal has met with the Assistant Principal, Activities Director and new Treasurer to thoroughly review the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to receipting and depositing procedures. The Principal has requested additional internal funds/eSAS training for the Treasurer and is seeking assistance from the District's Business Manager assigned to the school to further provide support and ensure compliance.

The Principal has reviewed Section II, Chapter 2 and 3 of the *Manual of Internal Fund Accounting* and has instructed the Assistant Principal to meet bi-weekly with the Treasurer to review internal funds records which will include the review of posting/depositing of collections. In addition, the Principal will meet weekly with the Assistant Principal to review all records and handle any discrepancies in a timely manner to ensure compliance.

The Principal has reviewed with the Assistant Principal and the Treasurer the policies and procedures on the safeguarding of funds and the importance of maintaining the Collection/Deposit Log and processing collections in a timely manner. A copy of Weekly Briefing No. 5164 and The Collections/Deposit Log [FM-7249] was given to affected staff.

The Principal has requested the armored car pick-up service to increase from two days a week to five days a week given the size of the school and to prevent deposit delays.

**Management Response:**

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that controls over receipting and depositing procedures are maintained properly. Additionally, the Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Treasurer and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was instructed to meet with the Assistant Principal assigned to oversee internal funds, the Activities Director, Treasurer and sponsoring faculty to review timelines for receipting and depositing student collections for timeliness and compliance.

The Principal was instructed to direct the Treasurer to process collections in a timely manner and to inform the Principal and/or Assistant Principal of any instances of sponsoring staff not adhering to timelines to ensure swift corrective action.

Additionally, the Principal was instructed to direct the Assistant Principal to meet bi-weekly with the Treasurer to ensure proper use of the Collections/Deposit Log to account for any collections held overnight. The Principal was also instructed to direct the Assistant Principal to review the timeliness of the remittance and the deposits of collections during these bi-weekly meetings.

The Principal was directed to schedule the armored car pick-up service 5 days a week to ensure timeliness and accuracy of deposits.

The North Region Office Financial Human Capital Director arranged for a mentor for the new Treasurer to provide ongoing guidance and support and also instructed the Principal to frequently arrange for the assigned Business Manager to meet with him and the Treasurer to review records and make needed adjustments immediately.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.

**6. Controls Over Disbursements Not Properly Observed. Recurrent Condition From Prior Audits  
*North Miami Senior High School***

Our review of disbursements for the 2015-2016 and 2016-2017 fiscal years and the 2017-2018 fiscal year up to September 1, 2017, disclosed that the school did not always follow the proper procedures for making and documenting disbursements, for paying in a timely manner, and for not paying sales tax when required. In addition, the school was unable to provide vendor quotations for purchases of \$1,000 or more; therefore, not meeting the requirement for a minimum of three vendor quotations and/or selection of certified minority vendors for disbursements. We also found instances of expenditures charged to an account not allowed under the account's specific guidelines. All instances of non-compliance involved the former Principal and former Treasurer.

A follow up to prior audit issues required an extensive review of disbursements. We reviewed 58 disbursements for the audit period and the current year up to September 1, 2017. Of this total, 52 disbursements disclosed the following non-compliance with the guidelines, as follows:

Pursuant to School Board Policy 6610 *Internal Accounts*, for purchases of \$1,000 or more but less than \$50,000, at least three (3) written quotations must be solicited. One of these quotations must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. The quotations must be included as part of the ancillary documentation to show that the lowest price was selected.

- 6.1. In 26 instances, individual purchases of \$1,000 or more were not supported with the required three written vendor quotations (including one from a certified minority vendor). According to the school, the quotations were obtained and should have been on file; however, they could not be located in the records. We requested this documentation on multiple occasions during the audit; however, it was never produced. Items purchased included apparel, various student uniforms, decorations, transportation, professional services, teacher appreciation gifts and student incentives. These purchases totaled approximately \$88,000.

According to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, the disbursements must be documented with an original itemized vendor invoice, which must be signed by the individual receiving the goods/services to acknowledge the receipt of goods/services and to indicate that payment is in order. In addition, payments to vendors must be made within thirty (30) days of satisfactory receipt of goods/services, unless the school obtains written agreements with the vendors to delay

payment. Furthermore, Section IV, Chapter 9 of the *Manual* states that the State of Florida's sales tax provisions apply to all schools when the school acts as a "retailer" and sells items to students, staff and guest.

- 6.2. In seven instances, invoices were paid between 30 days to approximately 130 days late. These totaled approximately \$12,500.
- 6.3. In six instances, the invoices were not signed to indicate acknowledgement of receipt of goods/services. These totaled approximately \$11,000.
- 6.4. In eight instances, sales tax was not paid to the State of Florida Department of Revenue. These corresponded to the purchase of apparel to give away to students/staff or to sell for fundraising purposes, appreciation gifts, and food sales generated by the school's café (operated by the school's Culinary Arts Program<sup>12</sup>). We calculated that the unpaid aggregate sales tax amounted to approximately \$4,300.
- 6.5. In two instances, original invoices were not available for audit. The vendors were contacted to obtain copies of the invoices. These totaled approximately \$3,200.
- 6.6. Five invoices disclosed shipping and handling charges that the school paid and that we considered excessive. Four invoices totaling approximately \$670 related to merchandise purchased for Prom and Homecoming, of which approximately \$300 was charged for shipping and handling. One of the invoices for the rental of student cap and gown totaled approximately \$8,150, of which approximately \$1,100 was for shipping and handling. It appears that the items in question were ordered late and required expediting.

Section III, Chapter 9 and Section II, Chapter 4 of the *Manual of Internal Fund Accounting* establish the guidelines related to expenditures allowed to be posted to the Fund 9 account. Landscaping and similar services are not allowed to be charged to this account. However,

- 6.7. During the 2016-2017 fiscal year, we identified nine instances where the school inappropriately charged the Fund 9 account to pay several lawn care/landscaping vendors. Service were for performing grounds maintenance, mowing lawns, trimming hedges and trees, installation of plants and similar landscaping services on school grounds. Services rendered spanned from August 2016 to February 2017. Total amount spent was approximately \$7,000. At present, custodial staff is responsible for the maintenance of the school grounds.

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<sup>12</sup> This café is operated by the Culinary Arts instructor and students enrolled in the Culinary Arts Program. The café offers a limited menu consisting of salads, light entrees and beverages to staff members and school guests for a fee.

## RECOMMENDATIONS

- 6.1. Regarding the matter of the written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should ensure that the lowest quotation is selected.
- 6.2. The current school administration should direct the current Treasurer to pay vendors according to timelines. In addition, the current school administration should not sign any checks unless the disbursement includes all necessary documentation.
- 6.3. The current school administration's designee over internal funds should review the disbursements with the current Treasurer to ensure that the documentation is maintained according to the guidelines. Any non-compliance noted during these periodic reviews should be addressed immediately.
- 6.4. The current school administration should discuss with sponsors the timelines for placing orders in order to prevent excessive shipping and handling.
- 6.5. The school administration and staff should review Fund 9 account limitations and allowances to ensure that the account is charged accordingly.
- 6.6. The school should pay the outstanding sales tax.

**Person(s) Responsible:**

**Principal/Designee, Sponsors,  
Activities Director And Treasurer**

**Management Response:**

The new Principal has met with the Assistant Principal, Activities Director and Treasurer and has also conducted a faculty meeting to thoroughly review the Manual of Internal Fund Accounting with sponsors to ensure their understanding and responsibilities pertaining to making and documenting disbursements for paying in a timely manner, paying sales tax and soliciting proper vendor quotations.

The Principal has reviewed School Board Policy 6320.02 Minority/Women Business Enterprise Certification Procedure with the Assistant Principal and Treasurer. The Principal has provided a memorandum to affected staff explaining the process to solicit vendor quotations for purchases over \$1000.00; one of which must be from a certified minority vendor.

The Principal has instructed the Assistant Principal to meet bi-weekly with the Treasurer and the Principal will meet with the Assistant Principal weekly to review disbursements to ensure that documentation is maintained according to guidelines. Any non-compliance noted during these reviews will be addressed immediately.

The Principal has reviewed Chapter II Section 6 and Section III, Chapter 9 of the Manual of Internal Fund Accounting regarding Fund 9. A memorandum has been given to the current Treasurer regarding Fund 9 guidelines and the importance of replenishing Fund 9 on a timely basis. The Principal will review the internal funds accounts on a bi-weekly basis.

The Principal is requesting updated vendor invoices in order to properly pay the outstanding sales tax by year's end.

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

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal to implement and monitor with the Assistant Principal, Activities Director and Treasurer to strengthen the controls over documenting disbursements. Additionally, the Principal will thoroughly review Section II, Chapters 4 and 6 of the Manual of Internal Fund Accounting and School Board Policy 6610, *Internal Accounts* with the Treasurer and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was instructed to direct the Assistant Principal to meet weekly with the Treasurer to ensure that the solicitation of a minimum of three vendor quotations includes one from a certified minority and that the lowest quotation is selected for purchases of \$1,000.00 or more.

The Principal was instructed not to sign any checks unless the disbursement includes all necessary documentation and that vendors are paid following guidelines. The Principal was instructed to meet weekly with the Assistant Principal to review disbursements to ensure that documentation is maintained according to guidelines and that any non-compliance noted during these reviews is addressed immediately.

The Principal was directed to conduct a faculty meeting to review with sponsors the timelines for placing orders to prevent excessive shipping and handling. Also, the Principal was directed to review with the Treasurer the Fund 9 limitations and allowances to ensure that the account is charged accordingly to avoid inappropriately utilizing this account for unauthorized purchases.

Lastly, the Principal was directed to request updated invoices from vendors where sales tax was not charged and to direct the Treasurer to pay the sales tax immediately upon receipt of the updated invoices.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.



**7. School-Sponsored Activities  
Continued To Disclose  
Non-Compliance  
With Guidelines  
During This Audit.  
This Condition Is  
Recurrent From  
Prior Audits  
*North Miami Senior High School***

*At this school, our follow-up to the prior audit findings regarding school-sponsored activities (namely, the preparation and filing of Student Activity Operating Reports, completion of the Activity Log and analysis of revenues and expenditures of selected student activities) continued to disclose errors and omissions, and discrepancies in the documentation supporting the activities reviewed and in the accountability of the funds. Our review of selected student activities for the 2015-2016 and 2016-2017 fiscal years encompassed the Homecoming Dance, the Senior Prom and the Senior Grad Bash activities. Details follow:*

*According to Section IV, Chapter 2 of the Manual of Internal Fund Accounting, an Application for Fundraising Activity form [FM-1018] must be approved by the Principal prior to the start of the activity, and a Student Activity Operating Report [FM-0996] must be prepared upon completion of each activity. All fundraising activities must be recorded in the Activity Log [FM-6672]. Part of the completion of the Student Activity Operating Report includes signing and dating the report by the Activity Sponsor, the Treasurer and Principal or Designee overseeing this area to denote review and approval. In addition, any fundraising items or admissions given away/issued as complimentary must be justified with a properly completed and signed Complimentary Items-Recipient(s) List [FM-6679]. All this documentation must be maintained on file for audit.*

*Furthermore, Section IV, Chapter 7 of the Manual establishes the guidelines for Senior Class Activities such as the Senior Prom and the Gradnite/Grad Bash senior class field trip. Overall, the student activities must be planned accordingly to ensure that revenue sources are planned and identified in advance to prevent overcharging/undercharging students, while ensuring that all related expenditures are duly covered and timely paid.*

- 7.1. For the 2015-2016 fiscal year, the Student Activity Operating Report for the Homecoming Dance and the Senior Prom activities contained errors, and the Senior Prom activity was not listed in the Activity Log. Regarding the Senior Prom (which took place on May 28, 2016), the Application for Fundraising Activity (giving permission for this fundraiser) appeared to have been signed after-the-fact, on June 1, 2016, on the same date that the corresponding Student Activity Operating Report was signed.*

- 7.2. For the 2016-2017 fiscal year, the *Student Activity Operating Report* for the Senior Prom contained errors and although signed, it was not dated. In addition, the *Student Activity Operating Report* for the Homecoming was not on file and the activity was not listed in the Activity Log.
- 7.3. Complimentary lists corresponding to the activities reviewed were either missing some of the information or were not evident in the files for both fiscal years.
- 7.4. For the 2015-2016 fiscal year, an analysis of revenues and expenditures related to the Homecoming Dance, the Senior Prom and Grad Bash disclosed that revenues collected were not sufficient to cover the associated expenditures resulting in losses of \$(2,900), \$(8,000) and \$(760), respectively. These were covered with carryover account balances or available funding from other activities posted to the accounts.

Regarding 2016-2017, a similar analysis of all sampled activities including the Grad Bash disclosed that total student collections and disbursements posted to the Grad Bash account amounted to \$45,196 and \$(50,655), respectively, for a \$(5,459) shortfall. The school covered part of the shortfall by transferring \$3,840 from another account; however, there was no justification on file for the transfer. After our inquiries, the Activities Director stated that the transfer represented field trip collections for a trip that was subsequently canceled, and it was agreed to re-direct funds to the Grad Bash account to cover part of the admission fee for the students who had paid for the canceled trip (instead of issuing student refunds). Ultimately, the activity disclosed an unexplained shortfall of \$(1,619) which the school covered with the account's carryover funds from the prior year.

## **RECOMMENDATIONS**

- 7.1. **The current school administration should review the procedures with sponsors, the Activities Director and new treasurer to ensure awareness and understanding of the requirements, especially the timelines, preparation, review, sign-off and filing of Student Activity Operating Reports and ancillary documentation.**
- 7.2. **The Principal should direct sponsors to complete and submit Student Activity Operating Reports no later than two weeks after completion of the activity and should direct the Treasurer to review the reports for accuracy.**
- 7.3. **The school administration should direct staff to sign and date the reports as required.**

- 7.4. The Activities Director and the Treasurer should be directed to ensure that Complimentary Items are properly documented with signed Complimentary Lists.
- 7.5. The staff member responsible for the Activity Log should be directed to maintain the Activity Log up-to-date and ensure that all activities are listed.
- 7.6. The current school administration should assign an administrator to oversee the fundraising and student activities area.
- 7.7. Periodically, the administration's designee should review the activities and related documentation with the Activities Director and current Treasurer to ensure that all staff members are following the guidelines. Discrepancies should be immediately addressed for immediate corrective action.

**Person(s) Responsible:**

**Principal/Designee, Sponsors,  
Activities Director And Treasurer**

**Management Response:**

The new Principal has met with the Assistant Principal, Activities Director, new Treasurer and sponsors to thoroughly review the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to complying with guidelines regarding school-sponsored activities. The Principal has requested additional training for the Treasurer and is seeking assistance from the District's Business Manager assigned to the school to further provide support and ensure compliance.

The Principal has instructed the Treasurer and Activities Director to meet monthly with the Principal and bi-weekly with the Assistant Principal over internal accounts to review school-sponsored activities. The sponsors will complete the Student Activity Operating Reports no later than two-weeks after the completion of an activity. The Principal directed the Treasurer to review the Student Activity Operating Reports with the assistance of the Assistant Principal for accuracy. Additionally, the Principal has directed staff to sign and date all operating reports as required.

The Principal has met with the Assistant Principal, Activities Director and Treasurer to review the guidelines for complimentary lists to ensure that such items are properly documented and signed accordingly.

The Principal has instructed the Assistant Principal to oversee the fundraising and student activities area and to review the activities and related documentation with the Activities Director and Treasurer to ensure staff members follow guidelines. The Assistant Principal will meet bi-weekly with the Activities Director to ensure that the

Activity Log is maintained according to guidelines and is up-to-date ensuring that all activities are listed. Any discrepancies will be addressed immediately and corrected.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Activities Director and new Treasurer to implement and monitor to ensure that school-sponsored activities are conducted following guidelines. The Principal will thoroughly review the Section IV, Chapter 2 of the Manual of Internal Fund Accounting with the Treasurer, Activities Director and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was directed to hold a faculty meeting to ensure sponsors have awareness and understanding of the requirements including timeliness, preparation, review, sign-off and filing of Student Activity Operating Reports. The Principal was instructed to direct the Assistant Principal to meet weekly with the Activities Director and Treasurer ensure these reports are completed and submitted no later than two weeks after completion of the activity and that they are signed and dated appropriately.

Additionally, the Principal instructed the assigned Assistant Principal who oversees fundraising to review (during the weekly reviews with the Activities Director and Treasurer), the proper documenting of complimentary items and to ensure that staff accurately maintain the Activity Log.

The Principal was directed to meet bi-weekly with the Assistant Principal to review activities and related documentation to ensure all staff members are following guidelines and to address any discrepancies for immediate action.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new to answer questions or concerns regarding yearbook activity responsibilities. The Region will ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.

**8. Inadequate Controls  
Over Yearbook Activity.  
Recurrent Condition  
From A Prior Audit  
*North Miami Senior High School***

Our review of the yearbook activity for the audit period disclosed a number of errors and omissions in the reports corresponding to this activity. It also disclosed an underperformance in the sale of yearbooks since close to 50 percent of the books ordered were left unsold at the end of each fiscal year and the activity did not generate sufficient revenues to cover all associated expenditures. At the end of the 2015-2016 fiscal year, the account closed with a deficit balance of approximately \$(1,900). In 2016-2017, the school transferred approximately \$5,200 from the General Program to cover the account deficit and close the fiscal year with a zero balance. *These findings are similar to those cited in a prior audit*<sup>13</sup>. Details follow:

Pursuant to guidelines in Section IV, Chapter 6 of the *Manual of Internal Fund Accounting*, the purchase of yearbooks by students *is entirely optional*. The procedures in the *Manual* establish that the yearbook activity must be sponsored by the school with a faculty adviser/sponsor designated to oversee the production and sales activity. According to the *Manual*, the yearbook operation should be self-sufficient, as the publishing costs for the yearbook are mainly financed by the sale of the yearbooks and advertising.

- 8.1. For the 2015-2016 fiscal year, the school ordered 101 yearbooks; however, only 58 were sold (57%). As of the end of the year, the school had 19 unsold books (on-hand) with a cost of approximately \$1,100 in inventory. Additionally, 24 books were unaccounted for with a cost of approximately \$1,400 and the school could not provide a complimentary signed list to justify books given away free of charge.
- 8.2. For the 2016-2017 fiscal year, of 101 yearbooks ordered, only 38 yearbooks were sold (during the audit year and current year) and it appears that five books were issued as complimentary. As of the audit visit, 58 yearbooks were verified as being on-hand (one of which was an unclaimed sale). The cost of the books on-hand (unsold) is \$3,340.

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<sup>13</sup> Previous to this audit, under a former school administrator and treasurer, the school had a finding in Yearbook covering the 2011-2012 and 2012-2013 fiscal years. Yearbook activity was suspended during 2013-2014 and 2014-2015. It resumed in 2015-2016 under a different administrator and treasurer. However, the issues cited herein are similar to those cited in the previous audit report.

- 8.3. For both the 2015-2016 and 2016-2017 fiscal years, the year-end Operating Report disclosed errors. Yearbook Distribution and Committee Appraisal and Bid Tabulation Forms were not presented for audit for the 2015-2016 fiscal year. Committee Appraisal and Bid Tabulation Forms were not properly completed for the 2016-2017 fiscal year. Additionally, there was no complimentary list available for both the 2015-2016 and 2016-2017 fiscal years.
- 8.4. For the 2015-2016 and 2016-2017 fiscal years, the Special Fees and Charges approved by the Region Office disclosed that the sales price for the yearbook was not stated.
- 8.5. Sub-ledgers within the account were not used to separate current yearbook revenue from non-yearbook revenue such as advertising.

## RECOMMENDATIONS

- 8.1. **Discuss the yearbook activity with the sponsor and ensure he/she is of aware prior results to plan the strategy for the coming year.**
- 8.2. **Given the noted decrease in the students' demand for yearbooks during the previous years, reassess the yearbook activity for the coming year; and strengthen oversight of the sales campaign to increase sales and reduce the number of unsold books in the coming year.**
- 8.3. **Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed. Additionally, yearbook revenue and non-yearbook revenue should be sub-ledgered into the proper account structures.**

**Person(s) Responsible:**

**Principal/Designee, Sponsors,  
Activities Director And Treasurer**

**Management Response:**

The new Principal has met with the Assistant Principal, Yearbook Sponsor and Treasurer to thoroughly review Section IV, Chapter 6, of the Manual of Internal Fund Accounting to ensure their understanding and responsibilities pertaining to properly maintaining controls over yearbook sales.

The Principal has reviewed the yearbook activity with the Activities Director concerning advertisement, presales, and procedures to ensure compliance with all activities related to yearbooks. Furthermore, the demand for yearbooks has been on a downward trend; therefore, the Principal has instructed the sponsor to reduce the number of yearbooks

from 100 to 50 this school year with a clause to terminate the contract if a presale minimum is not reached.

The Principal has instructed the Assistant Principal to review yearbook activity procedures with the Yearbook Sponsor and Treasurer to ensure reports are prepared properly and all required documentation is filed and signed. Also, the Principal instructed the Assistant Principal to meet bi-weekly with the Treasurer to ensure yearbook revenue and non-yearbook revenue is sub-ledgered into the proper account structures.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan to implement and monitor with the Assistant Principal, Yearbook Sponsor and Treasurer to ensure controls are strengthened to avoid yearbook activity report errors and omission. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting, Section IV, Chapter 6 with the Treasurer Yearbook Sponsor and Assistant Principal to ensure understanding of procedures and guidelines of yearbook activity.

The Principal was instructed to discuss the yearbook activity with the sponsor in order to reduce the number of books ordered for the 2017-2018 school year and strengthen the sales campaign to ensure increased sales and reduce the number of unsold books.

The Principal was instructed to direct the Assistant Principal to meet bi-weekly with the Treasurer and Yearbook Sponsor and the Principal was directed to meet with the Assistant Principal weekly to ensure reports are correctly prepared and all required documentation is filed and signed.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.



**9. Unsatisfactory Recordkeeping  
And Financial Controls  
Over Service Activity-  
School Café Managed  
By The School’s Culinary  
Arts Program  
*North Miami Senior High School***

This school offers a Culinary Arts Program and there is a culinary arts instructor on staff. Part of the program includes the operation of a café at the school site as part of the instructional program. Students enrolled in the program operate the café under the supervision of the culinary arts instructor. The café has a limited menu that is available to faculty staff and to guests for a fee. Items on the menu include salads and light food fare customary of a lunch menu including beverages. Students are not allowed to purchase food from the café so as not to compete with the District’s Food Service Program that offers breakfast and lunch to students.

During our review of the program, we noted that controls over the monies collected from the sales were inadequate and there were no operating reports prepared to monitor the progress of the activity or the inventory of food items, utensils, etc. In addition, sales tax was not charged to the “customers”. We discussed these conditions with the current school administration, who determined to temporarily place the operation of the café on hold until additional training and guidance is received from the District. Details follow:

Section IV, Chapter 15 of the *Manual of Internal Fund Accounting* and the *Adult and Applied Technology Education Procedures Manual* establish the policies and procedures for conducting the financial activities of production shops and service activities in senior high schools. Vocational type shops where a tangible item is produced are referred to as “Productions Shops”, whereas service oriented activities, such as child care services, food production and cosmetology, are referred to as “Service Activities”. Production shop and service activities should be conducted similar to those found in business and private industry, where tangible items or services are provided for a fee.

Pursuant to the *Manual of Internal Fund Accounting*, collections generated by these activities should not be handled by the shop instructor or student cashier, *except in unusual cases where the function is an integral part of the program, or where the physical location makes office payments impractical. In such cases, the use of a cash register as a form of internal control is critical to keep track of sales.*

- 9.1. During our observation of the activity, we noted that two-part order prenumbered guest checks<sup>14</sup> in lieu of official prenumbered work orders were used to control the food orders/sales. While one of the two-part form is routed to the kitchen, the second part remains in the book and is not added or turned in with the Recap of Collections. At the end of the day, a Recap of Collections totaling the sales is handed to the Treasurer with no other controlling documents (such as a tally of guest checks, the actual guest checks, or cash register tape).
- 9.2. The café used a cash register to safeguard the collections; however, the register was not working in that the detail tape was not able to print any receipts and register closeout tapes.
- 9.3. The school did not complete any operating reports along with inventory reports to keep track of the sales, the costs and the inventory on-hand.
- 9.4. In 2015-2016, revenues amounted to approximately \$17,000 and the activity closed with a deficit balance of approximately \$(670); while in 2016-2017, revenues amounted to close to \$18,000 and closed with a small positive balance of approximately \$500.

## **RECOMMENDATIONS**

- 9.1. **The current school administration should contact the Division of Internal Fund Accounting and the Department of Career and Technical Education to obtain guidance and training in the operation of the café.**
- 9.2. **Official prenumbered forms should be used to keep track of the orders.**
- 9.3. **The current school administration should ensure that the cash register is in working order; and should ensure that procedures for reconciling the daily cash register sales, completing the work orders and the Inventory and Operating Statements are being observed.**
- 9.4. **The current school administration should strengthen the review over the service activities records and should safeguard records against loss.**

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<sup>14</sup> The two-part prenumbered guest check books are not listed in the school's Inventory of Prenumbered Forms. This is the official inventory of all prenumbered forms used by the schools to document collections.

**Person(s) Responsible:**

**Principal/Designee,  
Culinary Instructor And Treasurer**

**Management Response:**

The new Principal has met with the Assistant Principal, Culinary Arts Sponsor and Treasurer to thoroughly review the Section IV, Chapter 15 of the Manual of Internal Fund Accounting to ensure their understanding and responsibilities pertaining to accurate recordkeeping and financial controls over service activity-school café managed by the Culinary Arts Program.

The Principal has communicated with the assigned Business Manager and the Department of Career Technical Education (CTE) who are providing the school with guidance and training in the overall operation of the café to establish a plan to strengthen the financial activities and service activities within this program.

The Principal has instructed the Assistant Principal to meet bi-weekly with the Culinary Arts Sponsor and Treasurer to ensure they utilize standard internal account school site procedures (receipting, recap of collections, financial controls, inventory controls etc.) to run this program and keep track of the orders.

The Principal has provided the opportunity for teacher training at a similar facility using appropriate accounting practices. (CTE Dept. coordinated with Lindsey Hopkins Technical College to facilitate training for the sponsor on an as needed basis).

The Principal in conjunction with the Department of CTE arranged for the school to have a cash register that allows for appropriate financial documentation. Through the bi-weekly reviews of the café, the Assistant Principal will ensure that procedures for reconciling daily cash register sales, completing the work orders and the inventory and Operating Statements are being followed. The Principal will meet weekly with the Assistant Principal to review procedures and immediately address and correct any discrepancies.

Additionally, the Principal, with the support of the Department of CTE, has strengthened the review over the service activities records and will safeguard records against loss. This review strengthening includes: charging sales taxes for all food purchases; sales receipt slips needed with 4-part carbon copies; ensure ability to produce X & Z reports; revise inventory reports by separate use function and one for café sales; and document accounting procedure being used and ensure lab safety and health inspections are conducted as required.

Finally, the Principal will work with teacher to apply for and obtain required DOH Operating Permit.

**Person(s) Responsible:**

**North Region Office Administration**

**Management Response:**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Culinary Arts Sponsor and new Treasurer to implement and monitor to ensure that recordkeeping and financial controls over the service activity-school café managed follow guidelines. Additionally, the Principal will thoroughly review Section IV, Chapter 15 of the Manual of Internal Fund Accounting with the Treasurer and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was directed to seek assistance from the assigned Business Manager and the Department of Career and Technical Education (CTE) to obtain guidance and training in the operation of the café.

The Principal was directed to work with the Department of CTE to secure a new cash register and to ensure that procedures for reconciling daily cash register sales, completing work orders and that the inventory and Operating Statements are followed. The Principal directed the Assistant Principal to meet weekly with the café sponsor and Treasurer to review all records to strengthen the review process and safeguard records against loss.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of North Miami Senior High School.

**10. Improper Oversight Of  
Bookkeeping Function Disclosed  
Discrepancies And Lapses In  
Compliance With District Policy.  
Recurrent Conditions From Prior  
Audit  
Arcola Lake Elementary School**

*Similar conditions regarding incomplete documentation, posting delays and errors in the preparation of the inventory of official serialized forms were cited during the prior audit. These issues required the immediate attention of the school administration; however, our follow-up revealed that corrective actions have not been taken as of our audit.*

Our review of the financial records and bookkeeping practices for the audit period disclosed improper oversight of the bookkeeping function. Specifically, discrepancies noted involved a deficit balance in the Classes and Clubs-Physical Education account; recordkeeping errors and incomplete documentation supporting the financial transactions; delays in the remittance of collections and the deposit of the funds; inadequate accountability of the school's official forms; and discrepancies in the accountability over student activities.

At this school, there were several changes in Treasurer since the last audit. During this period, the school had relatively limited financial activity. We noted that total receipts and disbursements ranged between approximately \$34,000 and \$24,000 during the respective fiscal years.

Details follow:

*Follow-Up to Prior Year Report Regarding Deficit Account Balance*

Pursuant to Section III, Chapter 3 of *the Manual of Internal Accounting*, schools must not charge expenditures to Classes and Clubs' individual accounts which would exceed the available revenue.

10.1. During this audit, we noted that the Classes and Clubs-Physical Education account continued to carry a negative \$(800) balance since the last audit. This deficit was initiated under the former Treasurer, as mentioned in the prior audit investigation, where the Treasurer diverted monies to several accounts to conceal shortages; however, she was ultimately unable to conceal the shortage in this account. As of the time of our audit conducted in October 2017, the account continued to disclose the same deficit balance. According to the Principal, she was not aware that this deficit remained. The school's Internal

Funds Business Manager from the Office of the Controller was contacted pursuant to our request to formulate a plan to resolve this issue going forward.

*Recordkeeping Errors, Lapses in Compliance With Certain Documentation Guidelines, And Non-Compliance With Receipting/Depositing Timelines*

Section II, Chapters 2 and 3 of *the Manual of Internal Fund Accounting* detail the guidelines and the documentation required when collecting money and documenting the internal funds deposits. In addition, faculty/staff/sponsors must remit monies for deposit in a timely manner, and receipts must be issued when monies exchange hands.

- 10.2. *Deposit ancillary documentation was incomplete or disclosed errors.* We noted minor differences between Recap of Collections; and what was posted in the electronic student accounting system (eSAS) and deposited in the bank for money collected for Book Fair sales. We also noted several instances where source receipts were not recorded in the eSAS system, and one incomplete deposit package without the source receipts attached.
- 10.3. *Collections from teachers/sponsors were improperly handled by the Treasurers.* Computer-generated receipts were not given to teachers when turning in monies to the Treasurer. During our interviews at the school site, teachers stated that 5<sup>th</sup> Grade collections were turned over to the Treasurer's Office for deposit; however, a computer-generated receipt was provided at a later time. Furthermore, during our observation of current procedures we noted that the Treasurer *was not issuing a receipt at the time that monies exchanged hands.*
- 10.4. *Delays in the Remittance and Deposit of Collections.* We performed an extensive review of the collections and noted that student collections (mostly cash) were not always remitted for deposit or timely deposited. Delays ranged up to ten days.

*Weekly Briefing No. 5164 Policies and Procedures on the Safeguarding Funds at Schools* implemented utilization of the Collections/Deposits Log [FM-7249]. Consistent use of this form is required to ensure that the school administration is fully aware of any monies pending deposits at the school; and that two employees are always present when monies are placed into the safe place or removed from the safe place for safeguarding purposes. However,

- 10.5. The Collections/Deposits Log [FM-7249] was not consistently used to report/identify instances where collections were stored in the safe area at the school awaiting delivery/deposit.

### *Errors and Omissions in Prenumbered Inventory*

Section II, Chapter 8 of *the Manual* requires that an accurate and organized inventory of prenumbered official forms be prepared at the end of the fiscal year. All forms on this inventory represent all official forms for receipting collections as well as checks received from the banking institution; therefore, its accuracy and completeness is of paramount importance.

- 10.6. Our review of the Inventory of Prenumbered Forms for the 2015-2016 and 2016-2017 fiscal years disclosed that the forms were incomplete and contained numerous errors.

### *Discrepancies in the Accountability Over Student Activities*

During the 2016-2017 fiscal year, the school conducted several year-end activities for 5<sup>th</sup> Grade students. These activities included a picnic, end-of-year banquet, T-shirt sale, a breakfast, and an awards ceremony for which each student was to pay \$120. We were unable to determine that potential revenues were realized because of incomplete documentation. It appears that not all participating students paid the same fee, if at all; however, variations in price/attendance were not documented. Specifically:

- 10.7. Regarding this 5<sup>th</sup> Grade account, collections and expenses corresponding to the 2016-2017 fiscal year were comingled with collections and expenses for a field trip. A transfer from the Field Trip account to the 5<sup>th</sup> Grade account was completed as an incorrect attempt to rectify the disbursement erroneously posted to the 5<sup>th</sup> Grade Account.
- 10.8. We found discrepancies with the amount of collections recorded in the eSAS system, Official Teacher Receipt Books and Recap of Collections when compared to the amounts recorded on the 5<sup>th</sup> Grade sponsor's hand-written roster/spreadsheet.

According to the sponsor and the other 5<sup>th</sup> Grade teachers who collected money for these activities, the sponsor would identify on her list those students who paid and the amount they paid when the students would turn in money. The sponsor could not give an exact explanation as to the reason for the difference. According to her, some students may have been marked as fully paid when they could not pay the fee and were forgiven for non-payment. There was no Complimentary List on file to support this.

Discrepancies of accountability over field trips and use of grant funds to be used for a specific field trip were also noted.

Section IV, Chapter 1 of the *Manual* establishes the policies and procedures to account for field trip activities. In regards to grants, according to Section III, Chapter 4 of the *Manual*, monies placed in accounts within the Trust Program (such as designated grants and donations) shall be expended only for the purpose for which they are collected and received, unless the donor/grantor designates an alternative purpose *in writing*.

- 10.9. Analysis of several field trips revealed discrepancies as it pertains to receipts and/or disbursements. One of these field trips had an unfavorable difference between the number of students that paid and the number of participating students that the vendor invoiced. According to the sponsor, the vendor invoiced for the amount originally quoted and would not adjust the invoice if less students attended. We were unable to verify the number of students in attendance since the final field trip roster was not on file at the school.
- 10.10. The school received a \$700 grant to be used for a field trip to the Youth Fair. We found that the school only used approximately \$200 for the Youth Fair Field Trip expenses, but the remainder was used to cover expenses for other field trips.

## **RECOMMENDATIONS**

- 10.1. The administration and staff would benefit from additional training in the area of Internal Funds.**
- 10.2. School staff and administration should review receipting/depositing procedures for understanding and awareness of the requirements. This includes the basic procedures for documenting the collections and for preparing and documenting the deposit packages. It should be clearly stated to staff that no one should be allowed to turn in monies and leave the Treasurer's Office without receiving a receipt from the school Treasurer.**
- 10.3. The school administration should implement proper utilization of the Collections/Deposits Log [FM-7629] to account for any collections held overnight. This is critical to ensure the proper safeguarding of the collections pending deposit.**
- 10.4. Periodically, the school administration should review the internal funds records to ensure that the Treasurer is keeping up with the recordkeeping requirements and the timeliness of posting/depositing of collections.**



**10.5. Going forward, any fundraising items or admissions given away as complimentary or at reduced rates must be clearly documented in the records.**

**10.6. The school administration is reminded that grants and donations earmarked for specific purposes should be spent as stipulated by the grantor/donor, unless the grantor/donor approves an alternative use in writing.**

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

**Management Response:**

The Principal met with the Assistant Principal and new Treasurer to review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to review guidelines and the documentation required when collecting money and documenting internal funds deposits. The new Treasurer was assigned a Regional Center Master Treasurer for assistance and the school will conduct mini-reviews of records during the school year. The Principal reviewed at a faculty meeting the required receipting/depositing procedures to ensure understanding, awareness and compliance. When funds are remitted to the Secretary/Treasurer, she will ensure that computer receipts are provided to staff members prior to exiting the main office. Deposit logs will be reviewed with the Principal, and in her absence, the Assistant Principal at the close of business day to ensure proper safeguarding of the collections pending deposits and compliance with District procedures. The Principal will periodically review the internal funds records to ensure that the Treasurer is keeping up with record keeping requirements. Any discrepancies will be corrected immediately.

Any complimentary items will be clearly documented in the records and signatures obtained on proper forms. Grants and donations will be monitored to ensure expenditures are compliant according to specifications stipulated by the grantor/donor.

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

**Management Response:**

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Treasurer, Assistant Principal and Principal will review the monthly reconciliation as well as conduct periodic reviews of internal fund documents to ensure accuracy. The Financial/Business Operations Director instructed the Principal to develop and establish a procedure that will be followed that denotes the proper steps in sponsoring field trips

and fundraisers. The procedures will have the Administrator and Activities Director overseeing the process and providing checks and balances to ensure compliance in all policies and procedures.

The Principal has been instructed to solicit assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Treasurer. Lastly, the Principal and the new Treasurer have been paired with an Elementary school to serve as colleague to colleague mentorship for the 2017-2018 school year.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Arcola Lake Elementary School.

**11. School Non-Compliant With Full-Time Equivalent FTE Records And Procedures Resulted In Potential FTE Funding Disallowances  
*Arcola Lake Elementary School***

Our review of a sample of FTE records in 2016-2017 disclosed discrepancies in the ESOL area. Based on the sample selected, the discrepancies could have generated potential funding disallowances to the District of approximately \$1,550 as detailed in the findings that follow.

*Results Of Review Of ESOL Records*

For the 2016-2017 school year, guidelines and procedures for maintaining student information for *English Learners (EL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2016-2017 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*.

For all students with three academic years or more in ESOL, an EL Committee must be convened to re-evaluate the student's progress towards English language proficiency.

The EL Committee must convene no earlier than 30 school days prior to the third anniversary of the student's *Date Entered United States School (DEUSS)*<sup>15</sup> and no later than the anniversary date, unless the student's anniversary date falls within the first two weeks of any school year. Then, the *EL Committee may convene no later than October 1*. Any student considered for extension of ESOL services will be assessed on at least one department-approved assessment instrument. Evidence of that assessment must be maintained in the student's file.

During the February 2017 FTE Survey<sup>16</sup>, the school reported 79 students enrolled in the ESOL program. This constitutes a very small program. A review of a sample of ten EL student folders disclosed discrepancies in seven student folders sampled (70%). Specifically, we found that:

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<sup>15</sup> The *Date Entered United States School (DEUSS)* refers to the first time the student enters a school in the United States. DEUSS is obtained from the parents; consequently, *school personnel must make every effort to obtain any previous schooling information for the student from a U.S. school*. The date is necessary to calculate whether a student has attended a U.S. school for three (3) full academic years.

<sup>16</sup> FTE Survey in February is otherwise referred to as FTE Survey Period 3.

- 11.1. In six instances, the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6576] was not evident in the LEP folder or was not properly completed.
- 11.2. Our sample included five students that were enrolled in the ESOL program for more than six semesters. In all five instances, the LEP folder did not have any evidence that a committee had convened to assess the student's progress or was not properly completed. One of these students had a DEUSS (Date Entered U.S. School) date that would have required a current assessment for the LEP Committee meeting; however, the student was not assessed to determine if they should continue enrollment in ESOL.
- 11.3. In two instances, the Individual ELL/LEP Student Plan [FM-4649] was not evident in the student folder or was not properly completed.

## **RECOMMENDATIONS**

- 11.1. **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, appropriate 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. All records should be filed in the LEP folders by the time of the FTE Survey.**
- 11.2. **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. Particular attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.**
- 11.3. **The school administration should contact the appropriate District departments to inquire about additional training opportunities for staff involved with ESOL Program records.**

**Person(s) Responsible:**

**Principal and ESOL Chair/Staff**

**Management Response:**

The Principal met with the Assistant Principal, ESOL Chair and Registrar to review audit findings and the 2017-2018 Opening of School Year Information and Reminders as it pertains to ESOL, the Division of Bilingual Education and World Languages memoranda

and the District Plan for Services to English Language learners. The Principal requested assistance from the District ESOL department and will ensure the ESOL Chair attends training in FTE compliance. The Principal, Assistant Principal, ESOL Chair and Registrar met to review ESOL Program Record Folders to ensure that the information is accurate and that all pertinent forms are completed and timely filed in the folders. Any discrepancies were corrected.

The Principal and Assistant Principal will randomly review ESOL Program Record Folders bi-weekly to ensure that all information is accurate and filed properly. In those instances, where students are enrolled over six semesters in the ESOL program, and in order of priority utilizing the student's DEUSS date to ensure compliance with ESOL anniversary requirements, the Assistant Principal will schedule timely ESOL Committee meetings. Any discrepancies will be corrected immediately.

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

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines. The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to assist in strengthening these procedures. The Principal and/or Registrar will attend all available training/professional developments to enhance their knowledge of this program.

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

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Arcola Lake Elementary School.

**12. School Non-Compliant With Full-Time Equivalent FTE Records and Procedures Resulted in Potential FTE Funding Disallowances  
*Miami Central Senior High School***

Our review of a sample of FTE records in 2016-2017 disclosed discrepancies in the areas of ESOL and SPED. Based on our samples, the non-compliant issues identified in this area could have generated potential funding disallowances to the District totaling approximately \$11,100.

*Similar FTE findings as those stated below happened under the tenure of a former school administration, and the results were formally discussed with the former administration in May 2012.*

Details of our current review are as follows:

*Results of Review of ESOL Records*

For the 2016-2017 school year, guidelines and procedures for maintaining student information for *English Learners (EL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2016-2017 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 Learners/Limited English Proficiency (EL/LEP)* Student Plan for students attending secondary school [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, according to the guidelines, all secondary EL students must have a copy of the academic schedule for the current school year which **must be** included in the folder and must be dated prior to the corresponding FTE survey period. Also, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL Program with a *Notice To Parents/Guardians of EL students* [FM-6577]. For each school year, a Web-based EL/LEP Plan (WLEP) must be completed for *all* ELL students.

For all students with three academic years or more in ESOL, an EL Committee must be convened to re-evaluate the student's progress towards English language proficiency. The EL Committee must convene no earlier than 30 school days prior to the third anniversary of the student's *Date Entered United States School (DEUSS)* and no later than the anniversary date, unless the student's anniversary date falls within the first two weeks of any school year. Then, the *EL Committee may convene no later than October*

1st. Any student considered for extension of ESOL services will be assessed on at least one department-approved assessment instrument. Evidence of that assessment must be maintained in the student's file.

During the February 2017 FTE Survey the school reported 174 students enrolled in the ESOL program. A review of a sample of 17 EL student folders disclosed discrepancies in all the student folders sampled (100%). For most of the students sampled, the ESOL documents were not filed in the students' LEP folder at the time of the initial audit visit.

According to our calculations, the findings stated above could have potentially generated a funding disallowance to the District of approximately \$5,600. We found that:

- 12.1. In 14 instances, the Individual EL/LEP Student Plan [FM-4650] was not evident in the student folder. For the remaining three student folders sampled, the EL/LEP Student Plan was not properly completed. Specifically, EL plan was not signed or dated. For some of these students, the EL/LEP Student Plan was updated for the 2016-2017 fiscal year in the WLEP online system.
- 12.2. In five instances, a printout of the student's' academic schedule was not filed in the student folder or was not printed prior to the survey period.
- 12.3. In six 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. Five of these students had a DEUSS (Date Entered U.S. School) date that would have required a current assessment for the LEP Committee meeting; however, the students were not assessed to determine if they should continue enrollment in ESOL.
- 12.4. In five instances, the *Notice to Parents/Guardians of Limited English Proficient (LEP) Students* [FM-6577] was not evident in the folder.

#### *Results Of Review Of SPED Records*

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

The Division of Special Education and Advanced Academic Programs establishes the procedures for completing the Individual Educational Plans (IEP) and Educational Plan (EP). According to the guidelines, an IEP or EP must be completed and is required for each exceptional education student *prior* to the provision of Special Education and related services. The form includes the plan's initiation/duration dates (timeline), which

must be current by the time that the corresponding FTE survey period arrives. The Plan must be finalized in the Miami-Dade County Public Schools' Exceptional Student Education Electronic Management System (ESE-EMS)<sup>17</sup> in a timely manner.

For the February 2017 FTE Survey, the school reported 296 Special Education (SPED) students. Our review of a sample of 30 Special Education (SPED) records (of which 15 were Exceptional Student Education and 15 were Gifted Student folders) disclosed non-compliance with District policy in 3 of the 30 student folders sampled. According to our calculations, the findings stated above could have potentially generated a funding disallowance to the District of approximately \$5,500. We found that:

- 12.5. In one instance, the cost factor listed on the *Matrix of Services* form did not agree with the FTE funding level reported, which was lower than justified by the documentation. Consequently, *an amendment for DECO (D.O.E. Edit Correction System) would have been required to align funding with the services (an actual funding disallowance). However, this correction could not be submitted at the time of our audit, because the deadline to process corrections for the survey period reviewed had already expired.*
- 12.6. An Individual Education Plan (IEP) for an ESE student and one Educational Plan (EP) for a Gifted student did not have required signatures. This oversight did not affect funding levels; nevertheless, it was a lapse in compliance with established District policy.

## RECOMMENDATIONS

- 12.1. The school administration should contact the appropriate District departments to inquire about additional training opportunities for staff involved with ESOL Program records.**
- 12.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders. All records should be filed in the LEP folders by the time of the FTE Survey.**
- 12.3. 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. Particular**

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<sup>17</sup> A Web-based system that integrates the students' services with the Matrix, and adheres to the state's and federal guidelines and the District's security standards, and integrates with existing systems and procedures.



attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.

- 12.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED and Gifted criteria, the Principal or administrative designee should monitor the SPED and Gifted area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in ESE-EMS; and all necessary records are properly completed, signed and filed. Particular attention should be made to documentation corresponding to students funded at levels 254 Support Level 4 and 255 Support Level 5.

**Person(s) Responsible:** Principal, ESOL Chair/Staff and SPED Chair/Staff

**Management Response:**

The Principal met with the Vice Principal, Assistant Principal that oversee ESOL, the English Language Learners (ELL) Department Head and the Registrar to review the 2017-2018 Opening of School Year Information and Reminders as it pertains to ELL, the Division of Bilingual Education and World Languages memoranda, and the District Plan for Services to English Language Learners.

ESOL program folders will be reviewed by the Registrar and ELL Department Head and filed appropriately as per district policies and procedures. The Registrar and ELL Department Head will also monitor students time in the program and DEUSS date to ensure compliance with Committee Meetings and exit requirements. The Principal and Assistant Principal will conduct random reviews of these records by-weekly to ensure accuracy. Any discrepancies will be corrected immediately.

The Principal held a meeting with the Assistant Principal that oversees ESE, ESE Department and the Registrar to review the guidelines and procedures as they pertain to ESE with emphasis on the *Matrix of Services*. A meeting was held with staff members involved with completing Individual Education Plans and a review of the policies and procedures required in the completion of IEP meetings and paperwork was conducted. The Principal requested additional training for the administration and the ESE staff in the Matrix of Services completion.

The Principal directed the ESE Chair/LEA to meet monthly with the ESE Department to ensure accurate completion of the Matrix of Services for Annual IEPs and Interim IEPs. In addition, the Data Input Sheet will be provided to the Registrar to input in DSIS and the documents will be filed in the SPED folders. As a follow-up, the Assistant Principal and the LEA will verify that SPED ACCELIFY correlates with DSIS. Any anomalies will be brought to the Principal's attention and corrected immediately.

The Principal, Assistant Principal, and LEA will conduct mini reviews of ESE folders to ensure proper documents are on file and updated, these will occur twice a month. In addition, the Registrar, ESE Department Chair, and Assistant Principal will review the incoming cumulative records of ESE students to ensure that all required documents are in the cumulative folders, completed, signed and filed properly. Any anomalies will be reported to the Principal and to the sending school for follow up.

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

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Exceptional Student Education (ESE) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Office of Exceptional Student Education to assist in strengthening these procedures. The Principal and Registrar will attend all District's training/professional developments to enhance their knowledge of these programs.

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

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Central Senior High School.

**13. Discrepancies With  
Year-End Athletic  
Ticket Inventory  
Resulted In An Incident  
That Required  
Investigation  
*Miami Northwestern Senior High School***

At Miami Northwestern Senior, our verification of the inventory of athletic tickets for the 2016-2017 fiscal year disclosed a discrepancy with the inventory of tickets on hand. Namely, it represented an unexplained shortage of tickets of various denominations. We afforded the school additional time to locate the missing tickets. Later, athletic staff located some of the missing tickets; however, this find only cleared a portion of the discrepancy. After we revised the count and discussed the results with the school administration, the Principal filed an incident report through the proper District channels and the case was referred to the Civilian Investigative Unit for investigation. The case remains open and is ongoing at this time. Details of our school site findings are as follows:

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.

As part of the audit process for senior high schools, prior to the conclusion of the fiscal year, but before the start of athletic activity for the coming year we verify, on a selected basis, the athletic ticket inventory and game reports. We also trace the ticket sale revenue posted to the system and deposited in the checking account. Our objective is to ensure that all revenues raised from the sale of athletic tickets have been properly deposited, posted to the correct account and the associated recordkeeping is compliant with District policy. This school was selected for the ticket audit because of the large amount of revenue that the Athletic Program generates.

13.1. Our verification of the inventory of athletic tickets (approximately 54,100 tickets) not only disclosed errors in the ending inventory report, but also disclosed that 456 tickets with a total value of \$3,406 could not be accounted for.

The missing tickets were comprised of 341 Football tickets of \$6 to \$10 denominations; and 115 General Admission tickets of \$2 and \$6 denominations.

The discrepancy, which we discovered in late June 2017, was much larger; however, we afforded the school additional time to research the issue. On August 3, 2017, the Principal informed us that the Athletic Business Manager had located a substantial number of tickets in a gym bag utilized to transport tickets to and from the gymnasium. We took into account these tickets to arrive at the final amount reported herein.

- 13.2. We interviewed the Athletic Business Manager regarding the controls over the ticket inventory and the sales. According to her, Cash Box Recap Sheet forms were completed by the ticket sellers and reviewed by the Athletic Business Manager to account for tickets received, sold and returned. However, although the Business Manager was responsible for the tickets, it appears that others may have assisted her with this process, and procedures to account for and safeguard the tickets were not followed with fidelity. According to the Principal, this was the first year of the Business Manager. The school appointed a new Athletic Business Manager for the 2017-2018 fiscal year.

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

- 13.3. In one instance, revenue from ticket sales was posted to the wrong account (instead of the corresponding sport activity account), and in one other instance, the revenues were not reported correctly in the accounting system. The total amount of these errors was approximately \$7,900. We discussed the particular issues with the school administration for their information and corrective action.
- 13.4. In two instances, Football tickets were used for another sport, and tickets with an incorrect dollar denomination were used to control the sale of admissions to a girl's basketball game. We adjusted these amounts accordingly.
- 13.5. The Reconciliation of Athletic Admission Ticket Inventory and the Certification of the Inventory of Athletic Admission Tickets forms prepared by our office at the completion of the verification (summarizing the results of the counts and certifying the number of tickets in inventory that are turned over to the school once tickets are counted, and game report results and quantities are verified) are customarily signed by the Athletic Director and the internal auditor. At this school, however, the Athletic Director has refused to sign the reconciliation and the certification documents, which were both ultimately signed by the Principal.

## RECOMMENDATIONS

- 13.1. **The school administration should 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.**

- 13.2. The school administration should reassess the location of the ticket inventory to ensure access is restricted to authorized staff and tickets are safeguarded from unauthorized removal; and should assign an administrator to oversee when tickets are removed from inventory and when tickets are returned. Consider re-keying/changing combination of the safe and ensure access is restricted.
- 13.3. The assigned administrator should periodically review the game reports and ticket sales to ensure compliance with the procedures and should meet with the Athletic Business Manager and the Treasurer periodically to go over the financial activity.
- 13.4. Immediately after the completion of a game sport, the Athletic Business Manager and the assigned administrator should review the recordkeeping documentation, including Recap Sheets detailing ticket series and monies collected, game reports, used tickets as well as any leftover tickets to identify discrepancies early on and implement corrective action; and to ensure that tickets are properly accounted for and safeguarded. We also recommend that all these documents be filed with the game reports for audit purposes.
- 13.5. The Athletic Business Manager and the Treasurer (with oversight from the assigned administrator) should periodically review the financial activity for posting errors and make adjustments, if necessary.

**Responsible Person(s):**

**Principal/Designee, Athletic Director,  
Athletic Business Manager And Treasurer**

**Management Response:**

The Principal met with the Vice Principal, Assistant Principal Designee, Athletic Business Manager and Treasurer to review the procedures regarding the preparation of athletic ticket inventory, reconciliation of ticket sales, and preparation of game reports utilizing Section III, Chapter 1 of the Manual of Internal Fund Accounting and the Interscholastic Athletic Manual.

The Principal restricted access to the ticket inventory to the Vice Principal, Assistant Principal Designee, Athletic Business Manager, and Athletic Director. The safe was relocated from the athletic department area to the main office to increase visibility by administration and add additional safeguards to prevent unauthorized ticket removal. An administrator was assigned to oversee the ticket removal and return process from the safe. The new location of the safe in the main office was re-keyed and the combination to the safe was changed. Three employees (Principal, Vice Principal, and the Athletic Business Manager) have keys to the room where the safe is located. Additionally, the Business Manager and Athletic Director have the combination to the athletic department safe.

The assigned administrator will review game reports, ticket sales, and meets with the Athletic Business Manager and Treasurer to review monthly financial activity. The Athletic Business Manager and assigned administrator will review the recordkeeping documentation, that includes recap sheets detailing ticket series and monies collected, game reports, used tickets and excess tickets. This process will identify immediate discrepancies and allow the implementation of corrective action. It also ensures that tickets are properly accounted for and safeguarded. The Athletic Business Manager and Treasurer (with oversight from the assigned administrator) will review the financial activity monthly to post errors and adjust, if necessary. The Vice Principal and Assistant Principal Designee will review all documents prior to submission to Principal for final review and signature.

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

**Management Response:**

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

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

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Miami Northwestern Senior High School.

**14. School Non-Compliant With Full-Time Equivalent FTE Records And Procedures Resulted In Potential FTE Funding Disallowances  
*Booker T. Washington Senior High School***

Our review of a sample of FTE records in 2016-2017 found discrepancies in the areas of ESOL, SPED and On-the-Job (OJT) Training. Based on our samples, the non-compliant issues identified in these areas could have generated a combined funding disallowance to the District totaling approximately \$57,100. Due to the extent of some of these findings, during the audit, we contacted some of the District Offices associated with the cited areas for their information and follow up with the school.

*Similar findings as those stated below were cited at this school and discussed with the school administration during the prior FTE audit, which was performed during May 2014. The current Principal has been assigned to this school since November 2010.*

Details of our current findings are as follows:

*Results of Review of ESOL Records*

For the 2016-2017 school year, guidelines and procedures for maintaining student information for *English Learners (EL)*, also known as *English for Speakers of Other Languages (ESOL)*, were provided through the 2016-2017 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 Learners/Limited English Proficiency (EL/LEP)* Student Plan for students attending secondary school [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student's cumulative folder. In addition, students' academic schedules must be printed by October 1 and filed in the student's EL/LEP folder and parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL Program with a *Notice To Parents/Guardians of EL students* [FM-6577]. For each school year, a Web-based (online) EL/LEP Plan (WLEP) must be completed for *all* ELL students. Furthermore, the *Home Language Survey* [FM-5196] must be properly completed and filed in the ESOL Program Record Folder.

For all students with three academic years or more in ESOL, an EL Committee must be convened to re-evaluate the student's progress towards English language proficiency. The EL Committee must convene no earlier than 30 school days prior to the third anniversary of the student's *Date Entered United States School (DEUSS)* and no later

*than the anniversary date, unless the student's anniversary date falls within the first two weeks of any school year. Then, the EL Committee may convene no later than October 1.* Any student considered for extension of ESOL services will be assessed on at least one department-approved assessment instrument. Evidence of that assessment must be maintained in the student's file.

During the February 2017 FTE Survey the school reported 190 students enrolled in the ESOL program. A review of a sample of 30 EL student folders disclosed discrepancies in all the folders reviewed (100%). For most of the students sampled, the ESOL documents were not filed in the students' LEP folder at the time of the initial audit visit. Based on our samples, the following lapses in compliance with established procedures could have generated a funding disallowance to the District of approximately \$9,500. We found that:

- 14.1. In 29 instances, the individual EL/LEP Student Plan [FM-4650] was not completed in the WLEP online system. For 18 of these students, the EL/LEP Student Plan [FM-4650] was created using a PDF District form that is not compliant with current procedures<sup>18</sup>. These forms were provided to the auditor *after-the fact* and after the school had received the list of students sampled.
- 14.2. In 28 instances, the *Notice to Parents/Guardians of English Language Learners* (ELL) [FM-6577] was not on file or not properly completed at the time of the initial review. For those notices not evident on file during the initial review, the school provided them after-the-fact, on a subsequent visit.
- 14.3. In 27 instances, the secondary student's academic schedule was either printed after our initial audit visit or was not evident in the files.
- 14.4. In 11 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. Three of these students had a DEUSS date that would have required a current assessment for the LEP Committee meeting; however, the students were not assessed to determine if they should continue enrollment in ESOL.
- 14.5. In 16 instances, a student had an incorrect DEUSS in DSIS. At our request, school staff contacted the Federal and State Compliance Office and dates were corrected in the system.
- 14.6. In 13 instances, a student's LEP plan from previous years was not evident on file.

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<sup>18</sup> Current procedures require an online form completed *prior* to FTE Survey. It is important to note that the WLEP system was phased out in August 2017 and *could no longer be accessed at the time of the audit visit.*



14.7. In four instances, a *Home Language Survey* [FM-5196] was not evident on file. In another two instances, the survey was not properly completed. Specifically, the survey was either not dated, or questions in the form were not properly answered.

#### *Results Of Review Of SPED Records*

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

The Division of Special Education and Advanced Academic Programs establishes the procedures for completing the Individual Educational Plans (IEP) and Educational Plan (EP). According to the guidelines, an IEP or EP must be completed and is required for each exceptional education student *prior* to the provision of Special Education and related services. The form includes the plan's initiation/duration rates (timeline), which must be current by the time that the corresponding FTE survey period arrives. The Plan must be finalized in the Miami-Dade County Public Schools' Exceptional Student Education Electronic Management System (ESE-EMS) in a timely manner.

For the February 2017 FTE Survey, the school reported 184 Special Education (SPED) students. Our review of a sample of 19 Special Education (SPED) records (of which 13 were Exceptional Student Education and 6 were Gifted Student folders) disclosed non-compliance with District policy in 12 of the 19 student folders sampled (64%). According to our calculations, the findings stated above could have potentially generated a funding disallowance to the District of approximately \$42,500. We found that:

14.8. In four instances, a student did not have a valid Individual Educational Plan (IEP) and in another instance, a student did not have a valid Educational Plan (EP).

14.9. In five instances, a notification of meeting for either IEP or EP's were not evident on file.

14.10. In four instances, a *Matrix of Services* form was not completed for an IEP.

14.11. In three instances, a *Matrix of Services* form had a cost factor that did not agree with FTE funding.

14.12. In four instances, the name of the staff member completing the *Matrix of Services* form was not noted.

14.13. In two instances, an IEP did not have required signatures.

14.14. For several students, the IEP or the EP (depending on whether the particular student was ESE or Gifted) was not downloaded in ESE-EMS.

#### *Results of Review of On-the-Job (OJT) Training Records*

According to District guidelines, all cooperative education students must be scheduled for one period of job related instruction and a minimum of one period of On-the-Job (OJT) training during the day.

Attendance for the OJT period(s) will be reported on the *Job Training Attendance Records* [FM-5248]; otherwise referred to as the student's Time Card. Also, the *Job Training Attendance Records Receipt (FM-5889)* and the *FTE Class Membership Report (T13248801)* should be appropriately maintained in the FTE Box for each grading period. It is the teacher's responsibility to ensure the proper completion and submittal to the FTE designee at each school.

Students enrolled in a cooperative education program must work a minimum average of 15 hours per week (within the grading period) with most of the employment being during the school week. Students should not be placed in the OJT course unless they are employed.

Our review of a sample of ten On-the-Job (OJT) Training records revealed the following discrepancies in 8 records (80%), which could have generated a funding disallowance to the District totaling approximately \$5,100:

14.15. In eight instances, a student's Time Card [FM-5248] was not evident on file. Two of these eight students were searching for a job (job search status); consequently, they were not employed while enrolled in the OJT program.

#### **RECOMMENDATIONS**

**14.1. The Principal or administrative designee should assess the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.**

**14.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders. All records should be filed in the LEP folders by the time of the FTE Survey.**

**14.3. 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. Particular attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.

- 14.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED and Gifted criteria, the Principal or administrative designee should monitor the SPED and Gifted area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in ESE-EMS; and all necessary records are properly completed, signed and filed. Particular attention should be made to documentation corresponding to students funded at levels 254 Support Level 4 and 255 Support Level 5.
- 14.5. To reduce the probability of potential losses in funding and other non-compliance issues regarding OJT criteria, the principal or administrative designee should discuss procedures with staff overseeing the OJT program and should ensure that students placed in OJT courses are working the minimum average of 15 hours per week (within the grading period).

**Person(s) Responsible:**

**Principal, Assistant Principal  
And ESOL, SPED And OJT Staff**

**Management Response:**

The Principal met with the Vice Principal, Assistant Principal, Registrar, and ELL Chair/HLAP Paraprofessional to review the 2017-2018 Opening of School Year Information and Reminders as it pertains to ELL, the Division of Bilingual Education and World Languages memoranda, and the District Plan for Services to English Language Learners. The Principal will review the ELL records on a regular basis with the Assistant Principal and ESOL Chairperson. The principal has hired a new HLAP Paraprofessional/ESOL Chair. Upon hiring the new HLAP Paraprofessional/ESOL Chair, training was requested and conducted by the District's Bilingual department.

The Assistant Principal, Registrar and ESOL Chair reviewed ESOL program folders to ensure all required documents are filed appropriately as per District Policies and Procedures. Students time in the program and DEUSS date will be monitored to ensure compliance with Committee Meetings and exit requirements. The Principal and Assistant Principal will conduct random reviews of ESOL records monthly to ensure accuracy. Any discrepancies will be corrected immediately.

The Principal met with Vice Principal, Assistant Principal, ESE Department Chairperson, Registrar and Teachers in the ESE Department to review the audit findings and guidelines and procedures as they pertain to ESE paperwork. The Principal directed the

Assistant Principal and ESE Chair/LEA to meet monthly with the ESE Department to ensure accurate completion and signing of the Matrix of Services for Annual IEPs and Interim IEPs. In addition, the Data Input Sheet will be provided to the Registrar to input in DSIS and the documents will be filed in the SPED folders. As a follow-up, the Assistant Principal and the LEA will verify that SPED ACCELIFY correlates with DSIS.

The Principal, Assistant Principal, and LEA will conduct mini reviews of ESE folders to ensure proper documents are on file and updated on a monthly basis. The Assistant Principal, Registrar, and ESE Department Chair will review the incoming cumulative records of ESE students to ensure that all required documents are in the cumulative folders, completed, signed and filed properly. Any discrepancies will be reported to the Principal and Vice Principal for follow up.

The Principal identified a new Teacher for the On the Job Training (OJT) program. The Principal met with the Vice Principal, Assistant Principal and new OJT Teacher to review audit findings. Training has been provided to ensure that daily functions, program compliance and paperwork is in order. The Principal identified and released the new Teacher to visit another school to identify compliance based procedures and best practices. Additionally, the Principal will coordinate with the Office of Career Technology Education to provide on-site support for the new On-the-Job Training teacher. The Assistant Principal will randomly monitor and review the computer component of the paperwork to ensure proper documentation which provides a file of all students that are in the program to include students that do not currently have a job submitting Job Search forms weekly. The Principal will randomly check documents and procedures to ensure compliance and any discrepancies will be corrected immediately.

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

**Management Response:**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Exceptional Student Education (ESE) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Office of Exceptional Student Education to assist in strengthening these procedures. The Principal and Registrar will attend all District's training/professional developments to enhance their knowledge of these programs.

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

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

**Person(s) Responsible:**

**School Operations Administration**

**Management Response:**

Refer to page 39 of this report and page 137 in the report's Appendix Section for School Operations administration's comprehensive response addressing the recommendations to the school findings of Booker T. Washington Senior High School.

## OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

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

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

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

The scope of the property audit was the 2017-2018 fiscal year for all schools.

Our procedures were as follows:

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

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

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

### **Internal Control Matters**

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

## BACKGROUND

### INTERNAL FUNDS

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

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

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

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

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

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



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

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

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

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

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

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

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

## **PAYROLL**

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

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

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

The process for distributing payroll checks and checks advices at the sites changed in 2009 in an effort to eliminate paper checks and paper advices. Employees who received paper checks at the sites were requested to enroll in direct deposit for all payroll-related payments, and were directed to the Employee Portal located in the District’s website to access their payroll information and print the payroll check advices. Although payroll check distribution at the sites has been greatly minimized, sites are still required to

maintain controls over the distribution of payroll checks for those employees who have not signed for direct deposit at this time.

## **PROPERTY**

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

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

## **PURCHASING CREDIT CARD (P-CARD) PROGRAM**

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

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

## TITLE I PROGRAM

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



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

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

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

### FULL-TIME EQUIVALENT (FTE)

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

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

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

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

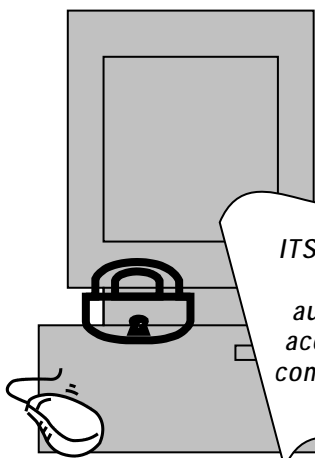
<b><i>Survey Period No.</i></b>	<b><i>Time Period of Survey</i></b>
<i>1</i>	<i>July (Summer School only)</i>
<i>2</i>	<i>October</i>
<i>3</i>	<i>February</i>
<i>4</i>	<i>June (Summer School only)</i>

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

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

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

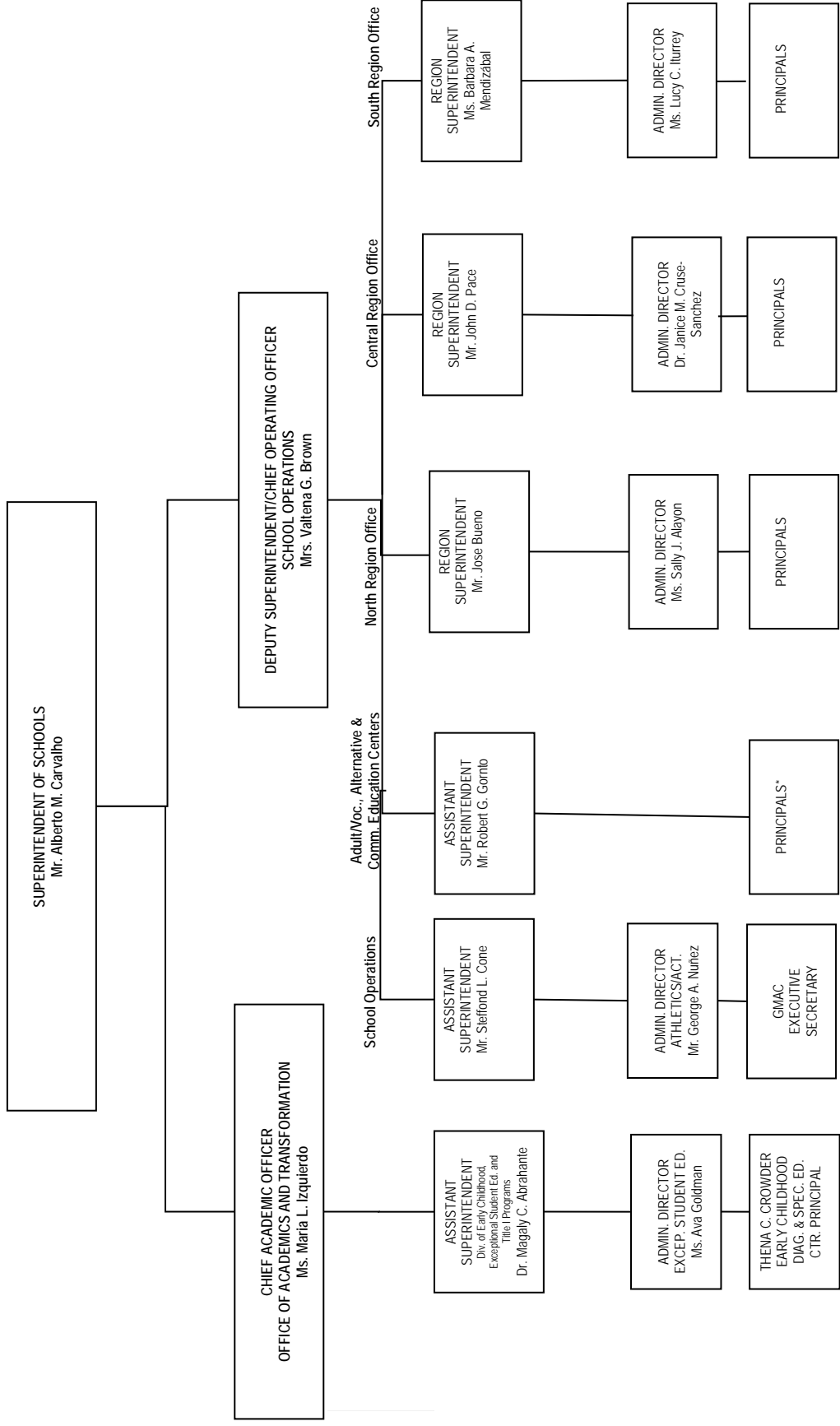
## DATA SECURITY MANAGEMENT REPORT



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

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

# ORGANIZATIONAL CHART (SCHOOLS/CENTERS)



\*Includes Systemwide Business and Industry Services Center.






***APPENDIX  
MANAGEMENT'S RESPONSES***

**MEMORANDUM**

December 22, 2017

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

**FROM:** Ja Marv Dunn, Principal   
Miami Carol City Senior High

**SUBJECT:** **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF MIAMI  
CAROL CITY SENIOR HIGH SCHOOL FOR THE FISCAL YEARS 2015-2016  
AND 2016-2017**

The following is a response to the findings of the Audit Report for Miami Carol City Senior High School for fiscal years July 1, 2015 – June 30, 2017.

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

**FINDING**

- 1. Inadequate Controls Over the Bookkeeping Function Resulted in Disorganized and Incomplete Records, Account Discrepancies, and Unpaid Invoices. Some Recurrent Conditions**

**RECOMMENDATIONS**

- 1.1. The school administration should assign an administrator to oversee the internal funds activity and the records to ensure they are properly organized and filed. This is of critical importance given the size and financial activity in a senior high school setting.
- 1.2. The school administration should not approve expenditures unless sufficient funds are available in the account. As a good control measure, the Principal should request a printout of the individual account balance before signing any checks planned to be charged to the account.
- 1.3. Regarding dormant accounts, the assigned administrator should periodically review the accounts and discuss with the Principal the future use of these funds, if no activity is foreseen during the current year.
- 1.4. The school administration should request assistance from the Internal Funds Accounting Division to resolve the matter of the Game Officials Clearing account's year-end balance. Going forward, the school administration should ensure that the accounts are cleared by year-end.

- 1.5. Regarding the bookkeeping records that were not found at the school, the school administration should direct staff to safeguard the records in a secure place and not to remove official records from the school.

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsors, Activities Director and Treasurer

**MANAGEMENT RESPONSE:**

The Principal has made a change and has assigned another Assistant Principal to oversee internal funds activities and records to ensure that they are properly organized and filed. The Principal has met with the Assistant Principal and new Treasurer to thoroughly review the Manual of Internal Fund Accounting and will request assistance from the District's assigned Business Manager to further provide support and ensure compliance.

The Principal has instructed the Assistant Principal to meet weekly with the Treasurer to review individual account balances for accuracy. Prior to approving expenditures and signing checks, the Principal will request a printout of the individual account balance to ensure sufficient funds are available prior to signing any checks that will be charged to the account.

The Principal and Assistant Principal will meet with the Treasurer bi-weekly to review all accounts, identify dormant accounts and follow internal fund policies and procedures for use of future said funds. If an account is dormant for more than two years, the Principal will request approval from the Region and District to transfer funds to the general miscellaneous account.

The Principal and Treasurer are working collectively with the Internal Funds Accounting Division and the Division of Athletics and Activities to resolve the Game Officials Clearing account's year-end balance in order to ensure the account will be cleared and balanced by year-end.

The Principal has directed the Treasurer to safeguard the bookkeeping records in a secure place in her office and to ensure they are not removed from school grounds.

**FINDING**

**2. Controls Over Disbursements Need Strengthening**

**RECOMMENDATIONS**

- 2.1 Regarding the matter of the written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should ensure that the lowest quotation is selected. All should be filed with the disbursement documentation. In addition, the school administration should discuss with staff the splitting of purchases to circumvent the requirements is not allowed.

- 2.2 The school administration should direct the current Treasurer to pay vendors according to timelines. In addition, the school administration should not sign any checks unless the disbursement includes all necessary documentation.**
- 2.3 The school administration's designee over internal funds should review disbursements with the current Treasurer to ensure that the documentation is maintained according to guidelines. Any non-compliance noted during these Periodic reviews should be addressed immediately.**
- 2.4 The school should pay the outstanding sales tax.**

**PERSON(S) RESPONSIBLE:** Principal/Designee and Treasurer

**MANAGEMENT RESPONSE:**

The Principal directed staff to solicit three vendor quotations for all purchases over \$1,000.00 including one from a certified minority as required by the guidelines and ensure that the lowest quotation is selected. The Principal and Assistant Principal will meet bi-weekly with the Treasurer to ensure all quotations are properly filed with the disbursement documentation. Additionally, the Principal met with the staff and discussed splitting purchases to circumvent the requirement is not allowed.

The Principal has reviewed the timeline procedures with the Treasurer for making payments and has directed her to pay vendors in a timely manner. School administration will not sign checks unless the necessary documentation is attached.

The Principal and Assistant Principal will review disbursements with the Treasurer to ensure the necessary documentation is maintained according to the guidelines and is in compliance. Following such reviews, should there be any concerns, the Principal will seek assistance immediately. Moving forward, the school administration will not sign any checks unless disbursements include the necessary documents.

The Principal is working with the Treasurer to ensure the outstanding sales tax will be paid. The Treasurer has requested new invoices from identified vendors with the sales tax applied. Upon receipt, the Principal will ensure the Treasurer makes the appropriate payments.

**FINDING**

**3. Inadequate Controls Over Yearbook**

**RECOMMENDATIONS**

- 3.1 Given the noted decrease in the students' demand for yearbooks, reassess the feasibility of the yearbook activity for 2017-2018, discuss the yearbook activity with the sponsor and ensure he/she is aware of prior results to plan the strategy for the coming year.**

- 3.2 Strengthen oversight of the sales campaign to increase sales and reduce the number of unsold books in the coming year.**
- 3.3 Monitor on-line sales to ensure there are no discrepancies.**
- 3.4 Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed.**
- 3.5 Ensure that the yearbook's unit sales price is set as close to the yearbook's unit cost as possible.**

**PERSON(S) RESPONSIBLE:** Principal/Designee, Yearbook Sponsor and Treasurer

**MANAGEMENT RESPONSE:**

The Principal met with the Yearbook Sponsor to evaluate activity for the previous school year and the current school year. Based on this review, the school has ordered half as many yearbooks for the 2017-2018 school year.

The Principal and Yearbook Sponsor have met to establish a plan to strengthen the oversight of the sales campaign to increase sales and reduce the number of unsold books in the 2017-2018 school year.

The Principal will monitor the on-line sales for yearbooks with the Treasurer during the 2017-2018 school year in order to avoid recurrence of on-line sales discrepancies.

The Principal and Assistant Principal have met with the Yearbook Sponsor and Treasurer to review the procedures and to ensure reports are correctly prepared and all required documentation is filed and signed following guidelines.

The Principal and Yearbook Sponsor have met to discuss and set the 2017-2018 yearbook's unit sales price as close to the yearbook's unit cost as possible.

**FINDING**

- 4. Inadequate Controls Over Fundraising/Student Activities Resulted in Discrepancies. Recurrent Condition from Prior Audit**

**RECOMMENDATION**

- 4.1 Review the procedures with sponsors and affected staff in Section IV, Chapter 2 of the *Manual of Internal Accounting* to ensure awareness and understanding of the requirements for conducting fundraising activities.**

**4.2 Strengthen the overall monitoring/review of the individual fundraising activity to ensure that discrepancies are promptly identified and resolved. Ensure that fundraising records are properly safeguarded and direct staff not to remove any official records from the school.**

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsor, Activities Director and Treasurer

**MANAGEMENT RESPONSE:**

The Principal met with the Assistant Principal, Activities Director and Treasurer as well as sponsors and affected staff to review the procedures in Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* to ensure awareness and understanding of the requirements for conducting fundraising activities. The Principal has requested additional assistance from the District's Business Manager to provide support and ensure compliance as needed.


The Principal has established procedures to strengthen the overall monitoring/review of the individual fundraising activity to ensure discrepancies are identified and resolved immediately upon finding. The Assistant Principal will meet weekly with the Activities Director and Treasurer to review all current fundraising activity. The Principal will meet bi-weekly with the Assistant Principal to review all fundraising activity and ensure all protocols are in place. Furthermore, the Principal has instructed staff to ensure that fundraising records are properly safeguarded and that official records are not removed from school grounds.

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

**MEMORANDUM**

December 19, 2017

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

**FROM:** Patrick Lacouty, Principal   
North Miami Senior High

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

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

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

**FINDING**

- 1. Inadequate Controls Over Receipting and Depositing Procedures. Recurrent Condition from Prior Audits**

**RECOMMENDATIONS**

- 1.1 The new school administration should discuss with sponsoring faculty, the Activities Director and staff the timelines for receipting and depositing student collections for awareness and understanding and for compliance with timelines.**
- 1.2 The new school administration should designate an administrator to oversee the internal funds activity on a day-to-day basis; and should meet with this administrator periodically to discuss progress and non-compliant matters discovered that required corrective action.**
- 1.3 The new school administration should direct the new Treasurer to process collections in a timely manner, and to bring to the attention of the school administration's designee any instances of sponsoring staff that is not adhering to timelines to ensure swift corrective action.**
- 1.4 The new school administration should direct the Treasurer to utilize the Collections/Deposit Log to account for any collections held overnight and should designate staff to oversee/carry this requirement along with the Treasurer.**
- 1.5 Periodically, the designee should meet with the Treasurer to ensure the timelines of the remittance, the deposits of collections, and the proper implementation of the Collections/Deposit Log.**
- 1.6 Consider scheduling the armored car pick-up service more frequently (than**

twice a week) to prevent deposit delays.

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsors, Activities Director and Treasurer

**MANAGEMENT RESPONSE:**

The new Principal has met with the Assistant Principal, Activities Director and new Treasurer to thoroughly review the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to receipting and depositing procedures. The Principal has requested additional internal funds/eSAS training for the Treasurer and is seeking assistance from the District's Business Manager assigned to the school to further provide support and ensure compliance.

The Principal has reviewed Section II, Chapter 2 and 3 of the *Manual of Internal Fund Accounting* and has instructed the Assistant Principal to meet bi-weekly with the Treasurer to review internal funds records which will include the review of posting/depositing of collections. In addition, the Principal will meet weekly with the Assistant Principal to review all records and handle any discrepancies in a timely manner to ensure compliance.

The Principal has reviewed with the Assistant Principal and the Treasurer the policies and procedures on the safeguarding of funds and the importance of maintaining the Collection/Deposit Log and processing collections in a timely manner. A copy of Weekly Briefing No. 5164 and The Collections/Deposit Log [FM-7249] was given to affected staff.

The Principal has requested the armored car pick-up service to increase from two days a week to five days a week given the size of the school and to prevent deposit delays.

**FINDING**

- 2. Controls Over Disbursements Not Properly Observed. Recurrent Condition from Prior Audits.**

**RECOMMENDATIONS**

- 2.1 Regarding the matter of the written quotations, the school administration should direct staff to solicit quotations, including one from a certified minority as required by the guidelines; and should ensure that the lowest quotation is selected.**
- 2.2 The school administration should direct the current Treasurer to pay vendors according to timelines. In addition, the school administration should not sign any checks unless the disbursement includes all necessary documentation.**
- 2.3 The school administration's designee over internal funds should review the disbursements with the current Treasurer to ensure that the documentation is maintained according to guidelines. Any non-compliance noted during these periodic reviews should be addressed immediately.**



- 2.4 The current school administration should discuss with sponsors the timelines for placing orders to prevent excessive shipping and handling.
- 2.5 The school administration and staff should review Fund 9 account limitations and Allowances to ensure that the account is charged correctly.
- 2.6 The school should pay the outstanding sales tax.

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsors Activities Director and Treasurer

**MANAGEMENT RESPONSE:**

The new Principal has met with the Assistant Principal, Activities Director and Treasurer and has also conducted a faculty meeting to thoroughly review the Manual of Internal Fund Accounting with sponsors to ensure their understanding and responsibilities pertaining to making and documenting disbursements for paying in a timely manner, paying sales tax and soliciting proper vendor quotations.

The Principal has reviewed School Board Policy 6320.02 Minority/Women Business Enterprise Certification Procedure with the Assistant Principal and Treasurer. The Principal has provided a memorandum to affected staff explaining the process to solicit vendor quotations for purchases over \$1000.00; one of which must be from a certified minority vendor.

The Principal has instructed the Assistant Principal to meet bi-weekly with the Treasurer and the Principal will meet with the Assistant Principal weekly to review disbursements to ensure that documentation is maintained according to guidelines. Any non-compliance noted during these reviews will be addressed immediately.

The Principal has reviewed Chapter II Section 6 and Section III, Chapter 9 of the Manual of Internal Fund Accounting regarding Fund 9. A memorandum has been given to the current Treasurer regarding Fund 9 guidelines and the importance of replenishing Fund 9 on a timely basis. The Principal will review the internal funds accounts on a bi-weekly basis.

The Principal is requesting updated vendor invoices in order to properly pay the outstanding sales tax by year's end.

**FINDING**

3. **School-Sponsored Activities Continued to Disclose Non-Compliance with Guidelines During this Audit. This Condition is Recurrent from Prior Audits.**

**RECOMMENDATIONS**

- 3.1 **The current school administration should review the procedures with sponsors, the Activities Director and new treasurer to ensure awareness and understanding**

of the requirements, especially the timelines, preparation, review, sign-off and filing of Student Activity Operating Reports and ancillary documentation.

- 3.2 The Principal should direct sponsors to complete and submit Student Activity Operating Reports no later than two weeks after completion of the activity and Should direct the Treasurer to review the reports for accuracy.
- 3.3 The school administration should direct staff to sign and date the reports as required.
- 3.4 The Activities Director and the Treasurer should be directed to ensure that Complimentary items are properly documented with signed Complimentary Lists.
- 3.5 The staff member responsible for the Activity Log should be directed to maintain The Activity Log up-to-date and ensure that all activities are listed.
- 3.6 The current school administration should assign an administrator to oversee the Fundraising and student activities area.
- 3.7 Periodically, the administrator's designee should review the activities and related documentation with the Activities Director and current Treasurer to ensure that all staff members are following the guidelines. Discrepancies should be immediately addressed for immediate corrective action.

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsors, Activities Director and Treasurer

**MANAGEMENT RESPONSE:**

The new Principal has met with the Assistant Principal, Activities Director, new Treasurer and sponsors to thoroughly review the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to complying with guidelines regarding school-sponsored activities. The Principal has requested additional training for the Treasurer and is seeking assistance from the District's Business Manager assigned to the school to further provide support and ensure compliance.

The Principal has instructed the Treasurer and Activities Director to meet monthly with the Principal and bi-weekly with the Assistant Principal over internal accounts to review school-sponsored activities. The sponsors will complete the Student Activity Operating Reports no later than two-weeks after the completion of an activity. The Principal directed the Treasurer to review the Student Activity Operating Reports with the assistance of the Assistant Principal for accuracy. Additionally, the Principal has directed staff to sign and date all operating reports as required.

The Principal has met with the Assistant Principal, Activities Director and Treasurer to review the guidelines for complimentary lists to ensure that such items are properly documented and signed accordingly.

The Principal has instructed the Assistant Principal to oversee the fundraising and student activities area and to review the activities and related documentation with the Activities Director and Treasurer to ensure staff members follow guidelines. The Assistant Principal will meet bi-weekly with the Activities Director to ensure that the Activity Log is maintained according to

guidelines and is up-to-date ensuring that all activities are listed. Any discrepancies will be addressed immediately and corrected.

#### **FINDING**

##### **4. Inadequate Controls Over Yearbooks Sales. Recurrent Condition from a Prior Audit**

#### **RECOMMENDATION**

- 4.1 Discuss the yearbook activity with the sponsor and ensure he/she is aware of prior results to plan the strategy for the coming year.**
- 4.2 Given the noted decrease in the students' demand for yearbooks during the previous years, reassess the yearbook activity for the coming year; and strengthen oversight of the sales campaign to increase sales and reduce the number of unsold books in the coming year.**
- 4.3 Discuss the procedures with the yearbook sponsor and the school treasurer to ensure that reports are correctly prepared and all required documentation is filed and signed. Additionally, yearbook revenue and non-yearbook revenue should be sub-ledgered into the proper account structures.**

**PERSON(S) RESPONSIBLE:** Principal/Designee, Sponsors, Activities Director and Treasurer

#### **MANAGEMENT RESPONSE:**

The new Principal has met with the Assistant Principal, Yearbook Sponsor and Treasurer to thoroughly review Section IV, Chapter 6, of the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to properly maintaining controls over yearbook sales.

The Principal has reviewed the yearbook activity with the Activities Director concerning advertisement, presales, and procedures to ensure compliance with all activities related to yearbooks. Furthermore, the demand for yearbooks has been on a downward trend; therefore, the Principal has instructed the sponsor to reduce the number of yearbooks from 100 to 50 this school year with a clause to terminate the contract if a presale minimum is not reached.

The Principal has instructed the Assistant Principal to review yearbook activity procedures with the Yearbook Sponsor and Treasurer to ensure reports are prepared properly and all required documentation is filed and signed. Also, the Principal instructed the Assistant Principal to meet bi-weekly with the Treasurer to ensure yearbook revenue and non-yearbook revenue is sub-ledgered into the proper account structures.

## FINDING

- 5. Inadequate Recordkeeping and Financial Controls Over Service Activity – School Café managed by the Schools’ Culinary Arts Program**

## RECOMMENDATIONS

- 5.1 The current school administration should contact the Division of Internal Fund Accounting and the Department of Career and Technical Education to obtain guidance and training in the operation of the café.**
- 5.2 Official prenumbered forms should be used to keep track of the orders.**
- 5.3 The current school administration should ensure that the case register is in working order and should ensure that procedures for reconciling the daily cash register sales, completing the work orders and the inventory and Operating Statements are being observed.**
- 5.4 The current school administration should strengthen the review over the service activities records and should safeguard records against loss.**

**PERSON(S) RESPONSIBLE:** Principal/Designee, Culinary Instructor and Treasurer

### MANAGEMENT RESPONSE:

The new Principal has met with the Assistant Principal, Culinary Arts Sponsor and Treasurer to thoroughly review the Section IV, Chapter 15 of the *Manual of Internal Fund Accounting* to ensure their understanding and responsibilities pertaining to accurate recordkeeping and financial controls over service activity-school café managed by the Culinary Arts Program.

The Principal has communicated with the assigned Business Manager and the Department of Career Technical Education (CTE) who are providing the school with guidance and training in the overall operation of the café to establish a plan to strengthen the financial activities and service activities within this program.

The Principal has instructed the Assistant Principal to meet bi-weekly with the Culinary Arts Sponsor and Treasurer to ensure they utilize standard internal account school site procedures (receipting, recap of collections, financial controls, inventory controls etc.) to run this program and keep track of the orders.

The Principal has provided the opportunity for teacher training at a similar facility using appropriate accounting practices. (CTE Dept. coordinated with Lindsey Hopkins Technical College to facilitate training for the sponsor on an as needed basis) .

The Principal in conjunction with the Department of CTE arranged for the school to have a cash register that allows for appropriate financial documentation. Through the bi-weekly reviews of the

café, the Assistant Principal will ensure that procedures for reconciling daily cash register sales, completing the work orders and the inventory and Operating Statements are being followed. The Principal will meet weekly with the Assistant Principal to review procedures and immediately address and correct any discrepancies.

Additionally, the Principal, with the support of the Department of CTE, has strengthened the review over the service activities records and will safeguard records against loss. This review strengthening includes: charging sales taxes for all food purchases; sales receipt slips needed with 4-part carbon copies; ensure ability to produce X & Z reports; revise inventory reports by separate use function and one for café sales; and document accounting procedure being used and ensure lab safety and health inspections are conducted as required.


Finally, the Principal will work with teacher to apply for and obtain required DOH Operating Permit.

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

**MEMORANDUM**

December 19, 2017

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

**FROM:** Dr. Cynthia L. Hannah, Principal   
Arcola Lake Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF ARCOLA LAKE ELEMENTARY SCHOOL FOR JULY 1, 2015-JUNE 30, 2017**

This memorandum serves as a response to the relevant findings in the internal audit for Arcola Lake Elementary School. For each exception, I have specified the corrective action to be taken to prevent the recurrence of the exceptions.

At our school, there were several changes in Treasurer since the last audit. During this period, the school had relatively limited financial activity. We noted that total receipts and disbursements ranged between approximately \$34,000 and \$24,000 during the respective fiscal years.

**RECOMMENDATIONS:**

- 1.1. **The administrative staff would benefit from additional training in the area of internal funds.**
- 1.2. **School staff and administration should review receipting/depositing procedures for understanding and awareness of the requirements. This includes the basic procedures for documenting the collections and for preparing and documenting the deposit packages. It should be clearly stated to staff that no one should be allowed to turn in monies and leave the Treasurer's office without receiving a receipt from the school Treasurer.**
- 1.3. **The school administration should implement proper utilization of the Collections/Deposits Log [FM-7629] to account for any collections held overnight. This is critical to ensure the proper safeguarding of the collections pending deposits.**
- 1.4. **Periodically the school administration should review the internal funds records to ensure that the Treasurer is keeping up with the recordkeeping requirements and the timelines of posting/depositing of collections.**
- 1.5. **Going forward, any fundraising items or admissions given away as complimentary or at reduced rates must be clearly documented in the records.**
- 1.6. **The school administration is reminded that grants and donations earmarked for specific purposes should be spent as stipulated by the grantor/donor, unless the grantor/donor approves an alternative use in writing.**

The Principal met with the Assistant Principal and new Treasurer to review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting to review guidelines and the documentation required when collecting money and documenting internal funds deposits. The new Treasurer was assigned a Regional Center Master Treasurer for assistance and the school will conduct mini-reviews of records during the school year. The Principal reviewed at a faculty meeting the required receipting/depositing procedures to ensure understanding, awareness and compliance. When funds are remitted to the Secretary/Treasurer, she will ensure that computer receipts are provided

to staff members prior to exiting the main office. Deposit logs will be reviewed with the Principal, and in her absence, the Assistant Principal at the close of business day to ensure proper safeguarding of the collections pending deposits and compliance with District procedures. The Principal will periodically review the internal funds records to ensure that the Treasurer is keeping up with record keeping requirements. Any discrepancies will be corrected immediately

Any complimentary items will be clearly documented in the records and signatures obtained on proper forms. Grants and donations will be monitored to ensure expenditures are compliant according to specifications stipulated by the grantor/donor.

**RECOMMENDATIONS:**

- 2.1 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, appropriate 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. All records should be filed in the LEP folders by the time of the FTE Survey.**
- 2.2. 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. Particular attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.**
- 2.3 The school administration should contact the appropriate District departments to inquire about additional training opportunities for staff involved with ESOL Program records.**

The Principal met with the Assistant Principal, ESOL Chair and Registrar to review audit findings and the 2017-2018 Opening of School Year Information and Reminders as it pertains to ESOL, the Division of Bilingual Education and World Languages memoranda and the District Plan for Services to English Language learners. The Principal requested assistance from the District ESOL department and will ensure the ESOL Chair attends training in FTE compliance. The Principal, Assistant Principal, ESOL Chair and Registrar met to review ESOL Program Record Folders to ensure that the information is accurate and that all pertinent forms are completed and timely filed in the folders. Any discrepancies were corrected.

The Principal and Assistant Principal will randomly review ESOL Program Record Folders bi-weekly to ensure that all information is accurate and filed properly. In those instances, where students are enrolled over six semesters in the ESOL program, and in order of priority utilizing the student's DEUSS date to ensure compliance with ESOL anniversary requirements, the Assistant Principal will schedule timely ESOL Committee meetings. Any discrepancies will be corrected immediately.


If additional information is needed, please feel free to contact me at 305-836-2820.

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

MEMORANDUM

December 19, 2017

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

FROM: Mr. Gregory Bethune, Principal   
Miami Central Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
MIAMI CENTRAL SENIOR HIGH SCHOOL FOR THE 2015-2016 AND  
2016-2017 FISCAL YEARS**

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

**RECOMMENDATIONS**

- 1.1. The school administration should contact the appropriate District departments to inquire about additional training opportunities for staff involved with ESOL Program records.
- 1.2. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders. All records should be filed in the LEP folders by the time of the FTE survey.
- 1.3. 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. Particular attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.
- 1.4. To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED and Gifted criteria, the Principal or administrative designee should monitor the SPED and Gifted area and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in ESE-EMS; and all necessary records are properly completed, signed and filed. Particular attention should be made to documentation corresponding to students funded at levels 254 Support Level 4 and 255 Support Level 4 and 255 Support Level 5.

The Principal met with the Vice Principal, Assistant Principal that oversee ESOL, the English Language Learners (ELL) Department Head and the Registrar to review the 2017-2018 Opening



of School Year Information and Reminders as it pertains to ELL, the Division of Bilingual Education and World Languages memoranda, and the District Plan for Services to English Language Learners.

ESOL program folders will be reviewed by the Registrar and ELL Department Head and filed appropriately as per district policies and procedures. The Registrar and ELL Department Head will also monitor students time in the program and DEUSS date to ensure compliance with Committee Meetings and exit requirements. The Principal and Assistant Principal will conduct random reviews of these records by-weekly to ensure accuracy. Any discrepancies will be corrected immediately.

The Principal held a meeting with the Assistant Principal that oversees ESE, ESE Department and the Registrar to review the guidelines and procedures as they pertain to ESE with emphasis on the *Matrix of Services*. A meeting was held with staff members involved with completing Individual Education Plans and a review of the policies and procedures required in the completion of IEP meetings and paperwork was conducted. The Principal requested additional training for the administration and the ESE staff in the Matrix of Services completion.

The Principal directed the ESE Chair/LEA to meet monthly with the ESE Department to ensure accurate completion of the Matrix of Services for Annual IEPs and Interim IEPs. In addition, the Data Input Sheet will be provided to the Registrar to input in DSIS and the documents will be filed in the SPED folders. As a follow-up, the Assistant Principal and the LEA will verify that SPED ACCELIFY correlates with DSIS. Any anomalies will be brought to the Principal's attention and corrected immediately.

The Principal, Assistant Principal, and LEA will conduct mini reviews of ESE folders to ensure proper documents are on file and updated, these will occur twice a month. In addition, the Registrar, ESE Department Chair, and Assistant Principal will review the incoming cumulative records of ESE students to ensure that all required documents are in the cumulative folders, completed, signed and filed properly. Any anomalies will be reported to the Principal and to the sending school for follow up.


If additional information is needed, please feel free to contact me at 305-696-416.

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

**MEMORANDUM**

December 18, 2017

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

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

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
MIAMI NORTHWESTERN SENIOR FOR THE 2016-2017 FISCAL YEAR**

This memorandum serves as a response to the relevant findings in the internal audit for Miami Northwestern Senior High School. A corrective action plan is now in place to address the recommendations from the auditor.

**RECOMMENDATIONS:**

- 1.1. The school administration should 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. The school administration should reassess the location of the ticket inventory to ensure access is restricted to authorized staff and tickets are safeguarded from unauthorized removal; and should assign an administrator to oversee when tickets are removed from inventory and when tickets are returned. Consider re-keying/changing combination of the safe and ensure access is restricted.
- 1.3. The assigned administrator should periodically review the game reports and ticket sales to ensure compliance with the procedures and should meet with the Athletic Business Manager and the Treasurer periodically to go over the financial activity.
- 1.4. Immediately after the completion of a game sport, the Athletic Business Manager and the assigned administrator should review the recordkeeping documentation, including Recap Sheets detailing ticket series and monies collected, game reports, used tickets as well as any leftover tickets to identify discrepancies early on and implement corrective action; and to ensure that tickets are properly accounted for and safeguarded. We also recommend that all these documents be filed with the game reports for audit purposes.
- 1.5. The Athletic Business Manager and the Treasurer (with oversight from the assigned administrator) should periodically review the financial activity for posting errors and make adjustments, if necessary.

The Principal met with the Vice Principal, Assistant Principal Designee, Athletic Business Manager and Treasurer to review the procedures regarding the preparation of athletic ticket

inventory, reconciliation of ticket sales, and preparation of game reports utilizing Section III, Chapter 1 of the Manual of Internal Fund Accounting and the Interscholastic Athletic Manual.

The Principal restricted access to the ticket inventory to the Vice Principal, Assistant Principal Designee, Athletic Business Manager, and Athletic Director. The safe was relocated from the athletic department area to the main office to increase visibility by administration and add additional safeguards to prevent unauthorized ticket removal. An administrator was assigned to oversee the ticket removal and return process from the safe. The new location of the safe in the main office was re-keyed and the combination to the safe was changed. Three employees (Principal, Vice Principal, and the Athletic Business Manager) have keys to the room where the safe is located. Additionally, the Business Manager and Athletic Director have the combination to the athletic department safe.

The assigned administrator will review game reports, ticket sales, and meets with the Athletic Business Manager and Treasurer to review monthly financial activity. The Athletic Business Manager and assigned administrator will review the recordkeeping documentation, that includes recap sheets detailing ticket series and monies collected, game reports, used tickets and excess tickets. This process will identify immediate discrepancies and allow the implementation of corrective action. It also ensures that tickets are properly accounted for and safeguarded. The Athletic Business Manager and Treasurer (with oversight from the assigned administrator) will review the financial activity monthly to post errors and adjust, if necessary. The Vice Principal and Assistant Principal Designee will review all documents prior to submission to Principal for final review and signature.


If additional information is needed, please feel free to contact me at 305-836-0991.

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

MEMORANDUM

December 19, 2017

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

**FROM:** Mr. William Aristide, Principal   
Booker T. Washington Senior High School

**SUBJECT:** ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF  
BOOKER T. WASHINGTON SENIOR HIGH FOR AUDIT 2016-2017  
SCHOOL YEAR

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

**RECOMMENDATIONS**

- 1.1 The Principal or administrative designee should access the ESOL area to ensure that appropriate staff is identified for completing the LEP Plans.
- 1.2 To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record to make certain that the information is accurate and that all pertinent forms are completed and filed in the student folders. All records should be filed in the LEP folders by the time of the FTE Survey.
- 1.3 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. Particular attention should be paid to the student's DEUSS date to ensure compliance with ESOL anniversary requirements.
- 1.4 To reduce the probability of potential losses in funding and other non-compliance issues regarding SPED and Gifted criteria, the Principal or administrative designee should monitor the SPED and Gifted are and student folders on a regular basis to ensure that IEP and EP conferences are properly and accurately documented in the student cumulative folders and in ESE-EMS; and all necessary records are properly completed, signed and filed. Particular attention should be made to documentation corresponding to students funded at levels 254 Support Level 4 and 255 Support Level 5.

**1.5 To reduce the probability of potential losses in funding and other non-compliance issues regarding OJT criteria, the principal or administrative designee should discuss procedures with staff overseeing the OJT.**

The Principal met with the Vice Principal, Assistant Principal, Registrar, and ELL Chair/HLAP Paraprofessional to review the 2017-2018 Opening of School Year Information and Reminders as it pertains to ELL, the Division of Bilingual Education and World Languages memoranda, and the District Plan for Services to English Language Learners. The Principal will review the ELL records on a regular basis with the Assistant Principal and ESOL Chairperson. The principal has hired a new HLAP Paraprofessional/ESOL Chair. Upon hiring the new HLAP Paraprofessional/ESOL Chair, training was requested and conducted by the District's Bilingual department.

The Assistant Principal, Registrar and ESOL Chair reviewed ESOL program folders to ensure all required documents are filed appropriately as per District Policies and Procedures. Students time in the program and DEUSS date will be monitored to ensure compliance with Committee Meetings and exit requirements. The Principal and Assistant Principal will conduct random reviews of ESOL records monthly to ensure accuracy. Any discrepancies will be corrected immediately.

The Principal met with Vice Principal, Assistant Principal, ESE Department Chairperson, Registrar and Teachers in the ESE Department to review the audit findings and guidelines and procedures as they pertain to ESE paperwork. The Principal directed the Assistant Principal and ESE Chair/LEA to meet monthly with the ESE Department to ensure accurate completion and signing of the Matrix of Services for Annual IEPs and Interim IEPs. In addition, the Data Input Sheet will be provided to the Registrar to input in DSIS and the documents will be filed in the SPED folders. As a follow-up, the Assistant Principal and the LEA will verify that SPED ACCELIFY correlates with DSIS.

The Principal, Assistant Principal, and LEA will conduct mini reviews of ESE folders to ensure proper documents are on file and updated on a monthly basis. The Assistant Principal, Registrar, and ESE Department Chair will review the incoming cumulative records of ESE students to ensure that all required documents are in the cumulative folders, completed, signed and filed properly. Any discrepancies will be reported to the Principal and Vice Principal for follow up.

The Principal identified a new Teacher for the On the Job Training (OJT) program. The Principal met with the Vice Principal, Assistant Principal and new OJT Teacher to review audit findings. Training has been provided to ensure that daily functions, program compliance and paperwork is in order. The Principal identified and released the new Teacher to visit another school to identify compliance based procedures and best practices. Additionally, the Principal will coordinate with the Office of Career Technology Education to provide on-site support for the new On-the-Job Training teacher. The Assistant Principal will randomly monitor and review the computer component of the paperwork to ensure proper documentation which provides a file of all students that are in the program to include students that do not currently have a job submitting Job Search forms weekly. The Principal will randomly check documents and procedures to ensure compliance and any discrepancies will be corrected immediately.


If additional information is needed, please feel free to contact me at 305-324-8900.

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

MEMORANDUM

December 22, 2017  
JB#70/2017-2018  
(305) 572-2800

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

FROM:  Jose Bueno, Region Superintendent  
North Region Office

SUBJECT: RESPONSES TO AUDIT REPORT OF NORTH REGION OFFICE SCHOOLS

Attached, please find the response to the audit findings for the 2015-2016 and 2016-2017 fiscal years for Miami Carol City Senior High and North Miami Senior High. The North Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Miami Carol City Senior High**

**1. Inadequate Controls Over the Bookkeeping Function Resulted in Disorganized and Incomplete Records, Account Discrepancies, and Unpaid Invoices. Some Recurrent Conditions**

The North Region Office Financial Human Capital Director and the Principal established a plan for the Principal to implement and monitor with the Assistant Principal and new Treasurer to ensure that bookkeeping functions are organized, records are complete and invoices are paid in a timely and accurate manner. The Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Assistant Principal and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to assign an Assistant Principal to oversee the internal funds activity and records to ensure they are properly organized and filed. The Principal was also instructed to schedule frequent meeting times with the assigned Business Manager to provide additional support to the new Treasurer and ensure compliance.

The Principal was instructed to meet bi-weekly with the Assistant Principal and Treasurer to review all bookkeeping records for organization and accuracy and to be prepared to address any discrepancies and seek further assistance in a timely manner.

Additionally, the Principal was instructed to review dormant accounts and to ensure he requests Region and District approval to transfer inactive account funds to the general miscellaneous account in order to utilize the funds accordingly.

The Principal was instructed to work with the assigned Business Manager and the Division of Athletics and Activities to resolve the matter of the Game Officials

Clearing accounts year-end balance. Additionally, the Principal was instructed to direct the new Treasurer to safeguard all records and to not remove any official records from the school.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, mentors have been assigned to work with the new Treasurer, Athletic Director, Athletic Business Manager and Activities Director to serve as immediate liaisons to answer questions or concerns regarding responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

## **2. Controls Over Disbursements Need Strengthening**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that controls over disbursements are strengthened. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting and School Board Policy 6610, Internal Accounts, with the Assistant Principal and Treasurer to ensure understanding of procedures and guidelines.

The Principal was instructed to direct staff to ensure compliance of soliciting quotations for purchases over \$1,000.00 including one from a certified minority and ensure that the lowest quotations is selected. Additionally, the Principal was instructed to direct the Treasurer not to split purchases and to ensure all quotations are filed with the disbursement documentation.

The Principal was instructed to direct the Treasurer to pay vendors according to timelines and not to sign any checks unless the disbursement includes all necessary documentation.

The Principal was instructed to ensure that the Assistant Principal meets weekly with the Treasurer to review files for accuracy and that the Principal himself meet bi-weekly with the Assistant Principal to ensure procedures for soliciting quotations, making and documenting disbursements, paying invoices in a timely manner and paying sales tax when required are completed following guidelines.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer to serve as an immediate liaison to answer questions or concerns regarding her disbursement responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

### **3. Inadequate Controls Over Yearbook**

The North Region Office Financial Human Capital Director and the Principal established a plan to implement and monitor with the Assistant Principal, Yearbook Sponsor and Treasurer to ensure controls are strengthened over yearbook activity. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting, Section IV, Chapter 6 with the Treasurer Yearbook Sponsor and Assistant Principal to ensure understanding of procedures and guidelines of yearbook activity.

The Principal was instructed to discuss the yearbook activity with the sponsor in order to reduce the number of books ordered for the 2017-2018 school year and strengthen the sales campaign to ensure increased sales and reduce the number of unsold books.

The Principal was instructed to monitor on-line yearbook sales with the Treasurer to avoid discrepancies moving forward and ensure that the yearbook's unit sales price is set as close to the yearbook's unit cost as possible. Additionally, the Principal was instructed to direct the Assistant Principal to meet weekly the Treasurer and Yearbook Sponsor and the Principal himself to meet with the Assistant Principal bi-weekly to ensure reports are correctly prepared and all required documentation is filed and signed.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer and Yearbook Sponsor to serve as an immediate liaison to answer questions or concerns regarding yearbook activity responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

### **4. Inadequate Controls Over Fundraising/Student Activities Resulted in Discrepancies. Recurrent Condition from Prior Audit**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Activity Director, and Treasurer to implement and monitor to ensure that controls over fundraising/student activities are strengthened across the board to avoid discrepancies. Additionally, the Principal will thoroughly review the Manual of Internal Fund Accounting, Section IV, Chapter 2, with the Treasurer, Activities Director and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was instructed to direct the Assistant Principal to meet with the Activities Director and Treasurer on a weekly basis and the Principal himself to meet with the Assistant Principal on a bi-weekly basis to ensure procedures are being followed in regards to the preparation and filing of Student Activity Operating Reports (form 0996) and Activity Logs (form 0997).



The Principal was directed to ensure that discrepancies of individual fundraising activity are promptly identified and resolved, records are safeguarded, and that staff is directed not to remove any official records from the school.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new Treasurer and the Activities Director to serve as an immediate liaison to answer questions or concerns regarding fundraising procedures and responsibilities. Monthly meetings will take place under the coordination and direction of the Region to ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

### **North Miami Senior High**

#### **1. Inadequate Controls Over Receipting and Depositing Procedures. Recurrent Condition from Prior Audits**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal and Treasurer to implement and monitor with the Assistant Principal to ensure that controls over receipting and depositing procedures are maintained properly. Additionally, the Principal will thoroughly review the *Manual of Internal Fund Accounting* with the Treasurer and Assistant Principal to ensure understanding or procedures and guidelines.

The Principal was instructed to meet with the Assistant Principal assigned to oversee internal funds, the Activities Director, Treasurer and sponsoring faculty to review timelines for receipting and depositing student collections for timeliness and compliance.

The Principal was instructed to direct the Treasurer to process collections in a timely manner and to inform the Principal and/or Assistant Principal of any instances of sponsoring staff not adhering to timelines to ensure swift corrective action.

Additionally, the Principal was instructed to direct the Assistant Principal to meet bi-weekly with the Treasurer to ensure proper use of the Collections/Deposit Log to account for any collections held overnight. The Principal was also instructed to direct the Assistant Principal to review the timeliness of the remittance and the deposits of collections during these bi-weekly meetings.

The Principal was directed to schedule the armored car pick-up service 5 days a week to ensure timeliness and accuracy of deposits.

The North Region Office Financial Human Capital Director arranged for a mentor for the new Treasurer to provide ongoing guidance and support and also instructed the Principal to frequently arrange for the assigned Business Manager to meet with him and the Treasurer to review records and make needed adjustments immediately.

Furthermore, the Principal has been instructed to attend School Operations' Money Does Matter Support Program sessions. Lastly, the North Region Office Financial Human Capital Director will ensure that the "In-House Review Teams" within each feeder pattern assist the school to provide additional support in this area.

**2. Controls Over Disbursements Not Properly Observed. Recurrent Condition Form Prior Audits**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal to implement and monitor with the Assistant Principal, Activities Director and Treasurer to strengthen the controls over documenting disbursements. Additionally, the Principal will thoroughly review Section II, Chapters 4 and 6 of the *Manual of Internal Fund Accounting* and School Board Policy 6610, *Internal Accounts* with the Treasurer and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was instructed to direct the Assistant Principal to meet weekly with the Treasurer to ensure that the solicitation of a minimum of three vendor quotations includes one from a certified minority and that the lowest quotation is selected for purchases of \$1,000.00 or more.

The Principal was instructed not to sign any checks unless the disbursement includes all necessary documentation and that vendors are paid following guidelines. The Principal was instructed to meet weekly with the Assistant Principal to review disbursements to ensure that documentation is maintained according to guidelines and that any non-compliance noted during these reviews is addressed immediately.

The Principal was directed to conduct a faculty meeting to review with sponsors the timelines for placing orders to prevent excessive shipping and handling. Also, the Principal was directed to review with the Treasurer the Fund 9 limitations and allowances to ensure that the account is charged accordingly to avoid inappropriately utilizing this account for unauthorized purchases.

Lastly, the Principal was directed to request updated invoices from vendors where sales tax was not charged and to direct the Treasurer to pay the sales tax immediately upon receipt of the updated invoices.

**3. School-Sponsored Activities Continued to Disclose Non-Compliance with Guidelines During this Audit. This Condition is Recurrent from Prior Audits**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Activities Director and new Treasurer to implement and monitor to ensure that school-sponsored activities are conducted following guidelines. The Principal will thoroughly review the Section IV, Chapter 2 of the *Manual of Internal Fund Accounting* with the Treasurer, Activities

Director and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was directed to hold a faculty meeting to ensure sponsors have awareness and understanding of the requirements including timeliness, preparation, review, sign-off and filing of Student Activity Operating Reports. The Principal was instructed to direct the Assistant Principal to meet weekly with the Activities Director and Treasurer ensure these reports are completed and submitted no later than two weeks after completion of the activity and that they are signed and dated appropriately.

Additionally, the Principal instructed the assigned Assistant Principal who oversees fundraising to review (during the weekly reviews with the Activities Director and Treasurer), the proper documenting of complimentary items and to ensure that staff accurately maintain the Activity Log.

The Principal was directed to meet bi-weekly with the Assistant Principal to review activities and related documentation to ensure all staff members are following guidelines and to address any discrepancies for immediate action.

The North Region Office Financial Human Capital Director has established a support team for school staff. In addition to the assigned Business Manager, a mentor has been assigned to work with the new to answer questions or concerns regarding yearbook activity responsibilities. The Region will ensure that school staff and mentors are afforded the needed time to meet to review and provide direction and support to ensure compliance moving forward.

#### **4. Inadequate Controls Over yearbook Sales. Recurrent Condition from a Prior Audit**

The North Region Office Financial Human Capital Director and the new Principal established a plan to implement and monitor with the Assistant Principal, Yearbook Sponsor and Treasurer to ensure controls are strengthened to avoid yearbook activity report errors and omission. Additionally, the Principal will thoroughly review the *Manual of Internal Fund Accounting*, Section IV, Chapter 6 with the Treasurer Yearbook Sponsor and Assistant Principal to ensure understanding of procedures and guidelines of yearbook activity.

The Principal was instructed to discuss the yearbook activity with the sponsor in order to reduce the number of books ordered for the 2017-2018 school year and strengthen the sales campaign to ensure increased sales and reduce the number of unsold books.

The Principal was instructed to direct the Assistant Principal to meet bi-weekly with the Treasurer and Yearbook Sponsor and the Principal was directed to meet with the Assistant Principal weekly to ensure reports are correctly prepared and all required documentation is filed and signed.

**5. Inadequate Recordkeeping and Financial Controls Over Service Activity-School Café Managed by the School’s Culinary Arts Program**

The North Region Office Financial Human Capital Director and the new Principal established a plan for the Principal, Assistant Principal, Culinary Arts Sponsor and new Treasurer to implement and monitor to ensure that recordkeeping and financial controls over the service activity-school café managed follow guidelines. Additionally, the Principal will thoroughly review Section IV, Chapter 15 of the *Manual of Internal Fund Accounting* with the Treasurer and Assistant Principal to ensure understanding of procedures and guidelines.

The Principal was directed to seek assistance from the assigned Business Manager and the Department of Career and Technical Education (CTE) to obtain guidance and training in the operation of the café.

The Principal was directed to work with the Department of CTE to secure a new cash register and to ensure that procedures for reconciling daily cash register sales, completing work orders and that the inventory and Operating Statements are followed. The Principal directed the Assistant Principal to meet weekly with the café sponsor and Treasurer to review all records to strengthen the review process and safeguard records against loss.

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


JB/SA/IM

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

**MEMORANDUM**

January 8, 2018  
JDP/#031/2017-18

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

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

**SUBJECT:** **CENTRAL REGION OFFICE RESPONSE TO INTERNAL REPORTS FOR  
ARCOLA LAKE ELEMENTARY, MIAMI CENTRAL SENIOR HIGH SCHOOL,  
MIAMI NORTHWESTERN SENIOR HIGH SCHOOL AND BOOKER T.  
WASHINGTON SENIOR HIGH SCHOOL**

Please find attached the responses to the audit findings for Arcola Lake Elementary, Miami Central Senior High School, Miami Northwestern Senior High School and Booker T. Washington Senior High School. The Central Region Office has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

**Arcola Lake Elementary**

- 1. Improper Oversight of Bookkeeping Function Disclosed Discrepancies and Lapses in Compliance with District Policy. *Recurrent Conditions from Prior Audit***
- 2. School Non-Compliant with Full-Time Equivalent (FTE) Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to meet with staff to review the District's guidelines, specifically how it relates to maintaining the internal funds. The Treasurer, Assistant Principal and Principal will review the monthly reconciliation as well as conduct periodic reviews of internal fund documents to ensure accuracy. The Financial/Business Operations Director instructed the Principal to develop and establish a procedure that will be followed that denotes the proper steps in sponsoring field trips and fundraisers. The procedures will have the Administrator and Activities Director overseeing the process and providing checks and balances to ensure compliance in all policies and procedures.

The Principal has been instructed to solicit assistance of the staff from the Office of the Controller's Internal Funds Accounting Division to assist the Treasurer. Lastly, the Principal and the new Treasurer have been paired with an Elementary school to serve as colleague to colleague mentorship for the 2017-2018 school year.

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) to ensure that the records are maintained in accordance with the respective program guidelines. The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages to assist in strengthening these procedures. The Principal and/or Registrar will attend all available training/professional developments to enhance their knowledge of this program.

**Miami Central Senior High School**

- 1. School Non-Compliant with Full-Time Equivalent (FTE) Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Exceptional Student Education (ESE) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Office of Exceptional Student Education to assist in strengthening these procedures. The Principal and Registrar will attend all District's training/professional developments to enhance their knowledge of these programs.

#### **Miami Northwestern Senior High School**

##### **1. Discrepancies with Year-End Athletic Ticket Inventory Resulted in An Incident that Required Investigation**

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

#### **Booker T. Washington Senior High School**

##### **1. School Non-Compliant with Full-Time Equivalent (FTE) Records and Procedures Resulted in Potential FTE Funding Disallowances**

The Financial/Business Director instructed the Principal to develop a plan for reviewing the records of English Language Learners (ELL) and Exceptional Student Education (ESE) to ensure that the records are maintained in accordance with the respective program guidelines.

The Financial/Business Operations Director will solicit assistance from the Office of Bilingual Education and World Languages and the Office of Exceptional Student Education to assist in strengthening these procedures. The Principal and Registrar will attend all District's training/professional developments to enhance their knowledge of these programs.

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

- The affected Principals will be required to address specific fiscal management job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to improve business and professional standards for effectiveness and efficiency.
- The Central Region Office Financial/Business Operations Administrative Director will direct the Principals to attend 2018-2019 Money DOES Matter Support Program.

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


JDP/JCS

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

**MEMORANDUM**

January 12, 2018

**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 CENTRAL REGION OFFICES**

School Operations has reviewed the audit findings cited in the 2015-2016 and/or 2016-2017 fiscal year reports of the following schools reporting to the North and Central Region Office: Arcola Lakes Elementary School; Booker T. Washington Senior High; Miami Northwestern Senior High; Miami Central Senior High; Miami Carol City Senior High and North Miami Senior High.

The following preventive actions will be taken through School Operations:

- Monthly, the Districts School Operations Administrative Director will meet with the Region Office Financial/Business Operations Director to review, discuss and identify strategies to implement at effected schools to ensure that adequate controls are in place for: assessing FTE records and procedures prior to FTE Survey Week; adequate controls are in place as it relates to recordkeeping and bookkeeping functions, as well as, timely depositing and receipting of Internal Funds are current; and to ensure that athletic ticket inventories and game reports are prepared according to guidelines.
- School Operations in collaboration with the Region Centers will coordinate colleague to colleague support through Fiscal Review Team site visits to provide support in Fiscal and Organizational Management.
- School Operations has created a group on Workplace for Principals to utilize as a resource that provides and encourages best practices between colleagues.
- Coordinate and provide information to school site administrators and staff on best business practices, including related financial areas of concern through the Money DOES Matter Support Program and the Regions' Scaled Leadership meetings during *Money Smarts* sessions.

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  
M075

cc Region Superintendent  
Ms. Cynthia Gracia  
Region Director





## Anti-Discrimination Policy

### Federal and State Laws

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **In Addition:**

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

For additional information contact:

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



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

***INTERNAL AUDIT REPORT  
SELECTED SCHOOLS/CENTERS  
JANUARY 2018***

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