

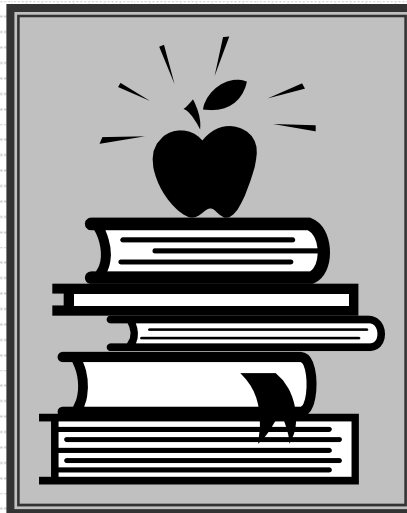
MIAMI-DADE COUNTY PUBLIC SCHOOLS



Internal Audit Report



Selected Schools



*Most Financial Statements Were Fairly Stated;
However, At 8 Schools, Controls Over The
Management And Recordkeeping Of The
Internal Funds, The Oversight Of The Payroll
Function, And Compliance With Title I And FTE
Requirements Need Improvement.*

June 2011

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools

Alberto M. Carvalho

Chief Auditor

Jose F. Montes de Oca, CPA

Miami-Dade County School Board

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June 21, 2011

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

Ladies and Gentlemen:

This report includes the audit results of 47 schools currently reporting to various regions and the Education Transformation Office. At one of the 47 schools, there was a change of Principal since the prior audit. The audit period for all schools reported herein is the fiscal year ended June 30, 2010.

The main objectives of these audits were to express an opinion on the financial statements of the schools, evaluate compliance with District policies and procedures, and ensure that assets are properly safeguarded. The audits included a review of internal funds at all the schools. On a selected basis, we reviewed payroll, credit card purchases, Title I Program expenditures and procedures, FTE reporting and student records and aspects of data security. The results of property inventories for most of the schools included herein and for other schools whose property audits have been completed at this time are also included.

Our audits disclosed that the financial statements of 46 of the 47 schools reported herein were fairly stated and property audit results were satisfactory for most of the schools being reported. At 39 of the 47 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. However, at eight schools, controls over the management and recordkeeping of the internal funds, the oversight of the payroll function and time and attendance documentation procedures, and compliance with Title I and FTE requirements need improvement. Regarding two of these schools, we also requested brief responses from the principals to address Plant Security Report losses that were higher than the rest of the school losses reported herein.

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

Sincerely,

Jose F. Montes de Oca, CPA

Chief Auditor

Office of Management and Compliance Audits

JFM:mtg

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EXECUTIVE SUMMARY

The Office of Management and Compliance Audits has completed the audits of 47 schools. The 47 schools include 23 Region I schools, 5 Region II schools, 2 Region III schools, 2 Region IV schools, 10 Region V schools and 5 schools that report to the newly formed Education Transformation Office (ETO). The audit period for all 47 schools is the fiscal year ended June 30, 2010. Of this group of schools, Booker T. Washington Senior was the only school with a change of Principal since the prior audit.

The audits disclosed that records were maintained in good order and in accordance with prescribed policies and procedures at 39 of the 47 schools reported herein. The 8 schools with reported audit findings are:

School Name	Region
1. Lake Stevens Middle	II
2. Nautilus Middle	II
3. Coral Gables Senior	III
4. Miami Senior	III
5. G. Holmes Braddock Senior	IV
6. John A. Ferguson Senior	IV
7. Miami Jackson Senior	ETO
8. Booker T. Washington Senior	ETO

Audit findings cited control deficiencies over the internal funds' bookkeeping function and disbursement procedures, and the accounting for field trips and fundraising merchandise; the oversight of the payroll function including the reporting of time and attendance; and non-compliance with Title I Program and FTE requirements. Refer to the Summary Schedule of Audit Findings on pages 18-21. Management agreed with our recommendations and provided responses for corrective action.

Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 34-71); and in the Appendix section in memorandum format (Pages 80-108).

Notwithstanding the conditions and findings reported herein, at 46 of the 47 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2009-2010 fiscal year, on the cash basis of accounting. At Coral Gables Senior High School, with the exception of the activity in the Instructional Materials and Supplies (Fund 9), Trust Fund-Special Purpose, General Fund-General Miscellaneous and Production Shops-Child Care accounts (as reflected in pages 44-47 of this report), the financial statement of the internal funds of the school otherwise fairly represents the changes in fund balances

arising from cash transactions during the 2009-2010 fiscal year, on the cash basis of accounting.

As of June 30, 2010, for all 47 schools reported herein, total combined receipts and disbursements amounted to approximately \$11.9 million and \$11.3 million, respectively; while total combined cash and investments amounted to approximately \$3.4 million (Pages 10-13).

Also, as of June 30, 2010, the internal control structure at the 47 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools.

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

INTERNAL FUNDS

Internal funds records and procedures were reviewed *at all 47 schools*. Of 47 schools, 42 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*.

- At Lake Stevens Middle, we found instances where the school issued incomplete checks. Also, a large purchase was split into several smaller purchases to bypass the Fund 9 purchasing threshold; and the school did not follow the proper procedures for issuing student refunds. Also, the pre-numbered forms inventory and deposits log related to internal funds deposit activity were not properly completed. *Some of these issues were discussed with the administration during the previous audit* (Pages 34-38).
- At G. Holmes Braddock Senior, during the audit period up to January 2011, the school conducted a continuous fundraising activity consisting of the sale of physical education shirts and shorts. Discrepancies over inventoried quantities disclosed that controls over the inventory of unsold merchandise were inadequate, and purchases of shirts and shorts were excessive, given the level of sales reported by the school. Furthermore, the sponsor did not obtain the minimum of three quotes to document the purchases. The school has been procuring fundraising merchandise from the same vendor for several years (Pages 39-43).
- At Coral Gables Senior, controls over Fund 9 disbursements were inadequate. Close to the end of the fiscal year, several expenditures were temporarily posted to other accounts to conceal overspending and prevent a Fund 9 account deficit. After the closing of the year, these expenditures were charged back to the Fund 9 account once funds became available. Also, some of the expenditures charged to the account were either not allowed under Fund 9 guidelines, or the purchase was split into smaller purchases to bypass the Fund 9 purchasing threshold. We also found that some of the vendors were not paid in a timely manner (Pages 44-47).
- At John A. Ferguson Senior, a follow up to prior year audit results disclosed that procedures related to the accounting for field trip revenues and expenditures were not properly followed or documented. We found that transactions from separate field trip activities were comingled in the same account without use of sub-ledgers to differentiate the sources. Also, what appeared to be shortfalls between amounts collected and our revenue projections may be the result that

not all students paid the same admissions fee; however, the differences were not properly documented in the records. Also, booster clubs made payments directly to the field trip vendors in lieu of submitting funds to the school, thus bypassing the school's recordkeeping system (Pages 48-52).

- At Miami Jackson Senior, we identified two instances of misappropriation of funds during the 2009-2010 fiscal year. One incident was discovered during the audit, while a second incident of money losses involved a Classes and Clubs account, and the Principal had requested an investigation. In both instances, we found that receipts were not always issued when monies exchanged hands, or receipts were issued after-the-fact. These inadequate controls prevented us from determining the party or parties responsible for the misappropriation. We also found instances where the school purchased items as incentives and the disbursement was not properly documented or supported with quotes. Additionally, the amounts spent on these incentives exceeded thresholds which required prior School Board approval and such approval was not requested. Our review of fundraising activities disclosed instances where fundraising procedures were not followed and activities were not properly documented. There has been a change of Treasurer and Activities Director since these misappropriations occurred (Pages 53-59).

PAYROLL

We reviewed payroll records and procedures at 8 of the 47 schools included herein. They are as follows:

Location No.	School Name	Region
7791	Booker T. Washington Senior ¹	ETO
7231	Miami Carol City Senior	ETO
6161	Lawton Chiles Middle	I
6151	Doral Middle	I
6171	Henry H. Filer Middle	I
7751	Barbara Goleman Senior	I
7051	G. Holmes Braddock Senior	IV
6081	Centennial Middle	V

At 7 of the 8 schools, there was general compliance with the *Payroll Processing Procedures Manual*.

- At Booker T. Washington Senior, the Cafeteria Manager was signing the times in/out on behalf of hourly cafeteria employees. Also, in one of the most recent payrolls reviewed, the Principal's secretary was signing the times in/out on behalf of hourly instructors. The payroll documentation of temporary instructors disclosed discrepancies, *most of which occurred during the tenure of the former school administration*. In recent payrolls, some hourly personnel were allowed to work prior to being officially hired in the system. According to the school administration, there was a learning curve and complications associated with the recently established SAP² system for hiring personnel into hourly-paid positions. In other instances, payroll discrepancies consisting of errors in the calculation of hours worked and reported were corrected at our request (Pages 60-62).

¹ Change of Principal since prior audit (1 school). Refer to page 25 of this report.

² SAP stands for *Systems, Applications and Products in Data Processing*.

PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 104 schools. This total includes the property results of 43 of the 47 schools in this report; 7 that were pending publication from previous audit reports; and 54 from property audits that were completed at this time, but whose school audits could not be finalized in time to include in this report.

Approximately 30,050 equipment items with a total approximate cost of \$75.3 million were inventoried at these 104 schools, of which 98 proved satisfactory. For the remaining 6 schools, results disclosed that a total of 25 equipment items with a depreciated value of approximately \$9,700 and a total approximate cost of \$38,500 could not be located (refer to Property Schedules on pages 26-31). Nevertheless, these losses are minimal (less than 0.05%) when compared to the overall inventory.

Property inventories also include the review of property losses reported by the schools through the Plant Security Report process. Our analysis of Plant Security Report losses reported by 27 schools from this group disclosed that 90 items with a depreciated value of approximately \$51,400 and a total approximate cost of \$149,000 were reported missing (Pages 32-33). Miami Jackson Senior and Miami Senior reported the highest losses, and their respective principals have provided a brief explanation and corrective action plans as applicable to the particular school situation and to these types of losses. Refer to pages 87 and 96 of the Appendix for their responses.

PURCHASING CREDIT CARD (P-CARD) PROGRAM

We reviewed the P-Card Program's procedures and records at the following 6 schools:

Location No.	School Name	Region
3141	Meadowlane Elementary	I
4281	Palm Springs North Elementary	I
0071	Eugenia B. Thomas K-8 Center	I
7011	American Senior	I
0341	Arch Creek Elementary	II
2941	Laura C. Saunders Elementary	V

Our review disclosed that all 6 schools listed above generally complied with the *Purchasing Credit Card Program Policies & Procedures Manual*.

TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures for the 2009-10 fiscal year was conducted at 3 schools since the last report in May 2011:

Location No.	School Name	Region	Total Expenditures
7461	Miami Senior	III	\$ 1,354,153
6171	Henry H. Filer Middle	I	303,405
2911	Linda Lentin K-8 Center	II	569,527
Total Expenditures			\$ 2,227,085

Total expenditures incurred under various Title I programs amounted to approximately \$2.2 million. Results disclosed that 2 of the 3 schools were generally compliant with the policies and procedures established by the *Title I Administration Handbook*. Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

- At Miami Senior, the school employed two Reading Coaches paid from Title I program accounts. Contrary to the guidelines in the *Handbook* regarding work assignments and supplements, one of the Reading Coaches had a full class schedule and received an extra-period teaching supplement. This supplement is not allowed according to the guidelines. Furthermore, professional development agendas provided by the school reflect only one of the two Reading Coaches as the one presenting the training material to the staff (Pages 63-64).

FULL-TIME-EQUIVALENT (FTE) FUNDING

The following 5 schools were selected for these audits:

Location No.	School Name	Region	Total FTE Funding
6541	Nautilus Middle	II	\$ 2,207,751
0071	Eugenia B. Thomas K-8 Center	I	3,017,584
5991	Charles D. Wyche, Jr. Elementary	I	1,835,008
7071	Coral Gables Senior	III	6,028,609
6631	North Miami Middle	ETO	2,026,488
Total FTE Funding			\$ 15,115,440

The total FTE funding amounted to approximately \$15.1 million for the 5 schools combined. FTE records reviewed corresponded to the 2010-2011 fiscal year Survey Period 3 (February 2011).

Our FTE reviews disclosed that 4 of the 5 schools were generally compliant with District policy. Minor discrepancies identified in this area were discussed with the school administration for their information and corrective action.

- At Nautilus Middle, our review of a sample of SPED and ELL student folders disclosed documentation discrepancies that could have potentially generated a funding disallowance to the District of approximately \$21,000. Similar FTE-related documentation errors were identified in other student folders whose funding levels were at the basic level. Although funding was not affected in these instances, the errors represent lapses in compliance with District policy (Pages 65-71).

DATA SECURITY

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at 8 schools. Of the 8 schools, we conducted a more thorough review of the school site IT function at 2 schools. The schools are:

Location No.	School Name	Region
5101	John I. Smith Elementary ³	I
2371	West Hialeah Gardens Elementary	I
6391	Madison Middle ³	I
6981	Westview Middle	I
7011	American Senior	I
0341	Arch Creek Elementary	II
3621	Coconut Palm K-8 Center	V
7791	Booker T. Washington Senior	ETO

Our review disclosed that all 8 schools generally complied with the review of the report and with the requirements for granting access to system applications. Furthermore, at 2 of the 8 schools, our review of selected aspects of the school's site IT function disclosed that IT equipment such as servers, switches and routers were properly located and safeguarded; and school administration had generally informed staff of the requirements for backing-up critical data and the security of the network.

Minor discrepancies identified in this area were discussed with the school administration for corrective action.

FOOD SERVICE PROGRAM

Our review of selected controls over the cash register operation and daily deposit activity at John A. Ferguson Senior disclosed general compliance with the *Food and Nutrition Procedures*.

AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments *as of June 30, 2010 for all 47 schools included herein*. It also provides the audit opinion regarding the schools' financial statements:

³ Review of school site IT function at this school (2 schools).

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010**

The Condensed Annual Financial reports and Total Cash and Investments as of June 30, 2010 for the following 47 schools are:

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>Region I Schools</u>									
0401	Van E. Blanton Elementary	\$ 11,671.62	\$ 29,863.59	\$ 26,706.53	\$ 14,828.68	\$ 927.09	\$ 13,901.59	\$ -	\$ 14,828.68
0641	Bunche Park Elementary	15,390.60	25,407.41	17,890.83	22,907.18	10,893.88	12,013.30	-	22,907.18
1921	Flamingo Elementary	26,540.64	46,476.38	49,240.31	23,776.71	7,558.34	16,218.37	-	23,776.71
3141	Meadowlane Elementary	21,467.27	36,383.84	30,234.24	27,616.87	20,075.02	7,541.85	-	27,616.87
3281	Miami Lakes K-8 Center	11,213.24	205,995.54	205,424.74	11,784.04	5,399.19	6,384.85	-	11,784.04
4261	Palm Springs Elementary	12,999.08	38,141.21	34,110.65	17,029.64	12,950.57	4,079.07	-	17,029.64
4281	Palm Springs North Elementary	16,224.57	462,907.49	446,754.78	32,377.28	5,716.54	26,660.74	-	32,377.28
4541	Rainbow Park Elementary	12,428.14	30,766.16	34,124.99	9,069.31	7,653.24	1,416.07	-	9,069.31
5101	John I. Smith Elementary	44,172.98	649,259.00	658,725.88	34,706.10	8,011.47	26,694.63	-	34,706.10
0071	Eugenia B. Thomas K-8 Center	33,146.26	579,790.80	587,277.35	25,659.71	8,384.59	17,275.12	-	25,659.71
5711	Mae Walters Elementary	16,021.10	17,463.18	20,888.84	12,595.44	883.03	11,712.41	-	12,595.44
2371	West Hialeah Gardens Elementary	16,485.84	253,142.47	245,057.27	24,571.04	24,571.04	-	-	24,571.04
5991	Charles D. Wyche, Jr. Elementary	13,384.00	45,001.08	43,679.71	14,705.37	3,100.37	11,605.00	-	14,705.37
5971	Nathan B. Young Elementary	5,749.91	23,861.51	27,010.68	2,600.74	794.98	1,805.76	-	2,600.74
6161	Lawton Chiles Middle	35,774.80	79,072.51	72,654.10	42,193.21	5,260.59	36,932.62	-	42,193.21

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6151	Doral Middle	38,220.84	107,747.21	106,995.69	38,972.36	26,870.80	12,101.56	-	38,972.36
6171	Henry H. Filer Middle	29,197.67	29,751.84	30,999.77	27,949.74	12,662.80	15,286.94	-	27,949.74
6391	Madison Middle	19,420.82	29,030.80	29,798.41	18,653.21	8,453.95	10,199.26	-	18,653.21
6981	Westview Middle	26,988.81	54,223.98	55,002.44	26,210.35	14,418.09	11,792.26	-	26,210.35
7011	American Senior	194,735.94	610,087.58	569,113.75	235,709.77	14,977.96	220,731.81	-	235,709.77
7751	Barbara Goleman Senior	200,177.07	729,518.61	701,484.29	228,211.39	14,733.97	213,477.42	-	228,211.39
7191	Hialeah Gardens Senior	35,419.01	335,430.82	328,170.13	42,679.70	41,678.35	1,001.35	-	42,679.70
7241	Ronald W. Reagan/Doral Sr.	104,828.35	638,385.24	589,856.32	153,357.27	70,701.89	82,655.38	-	153,357.27
<u>Region II Schools</u>									
0341	Arch Creek Elementary	7,882.14	22,889.50	18,340.73	12,430.91	3,396.52	9,034.39	-	12,430.91
2911	Linda Lentin K-8 Center	17,885.72	68,699.45	69,654.79	16,930.38	12,870.11	4,060.27	-	16,930.38
6351	Lake Stevens Middle	33,099.73	82,075.64	74,957.39	40,217.98	16,629.79	23,588.19	-	40,217.98
6541	Nautilus Middle	68,201.45	105,027.72	90,845.85	82,383.32	58,148.57	24,234.75	-	82,383.32
7201	Miami Beach Senior	245,257.79	554,236.79	516,675.56	282,819.02	6,100.41	276,718.61	-	282,819.02
<u>Region III Schools</u>									
7071	Coral Gables Senior	167,377.64	1,161,238.64	1,107,697.72	220,918.56	25,968.83	176,450.69	18,499.04	220,918.56
7461	Miami Senior	101,906.86	581,284.65	515,627.28	167,564.23	4,116.69	163,447.54	-	167,564.23

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>Region IV Schools</u>									
7051	G. Holmes Braddock Senior	250,472.61	975,226.72	842,292.70	383,406.63	27,863.61	355,543.02	-	383,406.63
7121	John A. Ferguson Senior	378,773.48	1,400,288.56	1,317,032.72	462,029.32	31,012.58	431,016.74	-	462,029.32
<u>Region V Schools</u>									
0651	Campbell Drive Elementary	11,365.78	19,640.07	23,591.42	7,414.43	157.57	7,256.86	-	7,414.43
3621	Coconut Palm K-8 Center	15,714.35	14,340.82	12,888.52	17,166.65	17,165.07	1.58	-	17,166.65
4611	Redondo Elementary	14,133.42	61,499.97	62,291.70	13,341.69	2,323.42	11,018.27	-	13,341.69
2941	Laura C. Saunders Elementary	6,588.89	18,649.10	18,854.48	6,383.51	3,156.01	3,227.50	-	6,383.51
6081	Centennial Middle	34,130.00	105,857.70	94,442.13	45,545.57	5,343.13	40,202.44	-	45,545.57
6251	Homestead Middle	12,454.62	103,665.05	98,643.86	17,475.81	4,163.68	13,312.13	-	17,475.81
6431	Mays Middle	18,958.59	54,229.87	54,475.03	18,713.43	3,005.71	15,707.72	-	18,713.43
6761	Redland Middle	39,826.96	86,298.23	72,980.45	53,144.74	6,824.58	36,903.59	9,416.57	53,144.74
6781	Richmond Heights Middle	36,865.04	97,379.75	98,373.46	35,871.33	4,902.34	30,968.99	-	35,871.33
5003	South Dade Middle	18,379.87	112,737.67	105,045.60	26,071.94	14,888.49	11,183.45	-	26,071.94
<u>Education Transformation Office</u>									
6481	Miami Edison Middle	19,393.82	25,564.32	24,319.94	20,638.20	6,561.31	14,076.89	-	20,638.20

**CONDENSED ANNUAL FINANCIAL REPORTS
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2010**

Work Loc No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
6631	North Miami Middle	18,720.17	42,781.56	43,868.00	17,633.73	4,834.19	12,799.54	-	17,633.73
7231	Miami Carol City Senior	103,384.43	503,486.67	423,090.78	183,780.32	51,028.48	132,751.84	-	183,780.32
7341	Miami Jackson Senior	57,719.22	295,513.77	282,781.68	70,451.31	27,530.99	42,920.32	-	70,451.31
7791	Booker T. Washington Senior	107,308.77	394,037.15	380,967.44	120,378.48	40,836.73	79,541.75	-	120,378.48
TOTAL		\$ 2,727,459.91	\$ 11,944,357.62	\$ 11,260,940.93	\$ 3,410,876.60	\$ 705,506.56	\$ 2,677,454.43	\$ 27,915.61	\$ 3,410,876.60


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

Notwithstanding the conditions and findings reported herein, at 46 of the 47 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2009-2010 fiscal year, on the cash basis of accounting. At Coral Gables Senior High School, with the exception of the activity in the Instructional Materials and Supplies (Fund 9), Trust Fund-Special Purpose, General Fund-General Miscellaneous and Production Shops-Child Care accounts (as reflected in pages 44-47 of this report), the financial statement of the internal funds of the school otherwise fairly represents the changes in fund balances arising from cash transactions during the 2009-2010 fiscal year, on the cash basis of accounting.

As of June 30, 2010, for all 47 schools reported herein, total combined receipts and disbursements amounted to \$11,944,357.62 and \$11,260,940.93 respectively; while total combined cash and investments amounted to \$3,410,876.60.

Also, as of June 30, 2010, the internal control structure at the 47 schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported at the individual schools.

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


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

INTERNAL CONTROLS RATING

The internal controls rating of the 8 schools reported herein with audit exceptions are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Region II Schools</u>							
Lake Stevens Middle		✓			✓		Likely to impact
Nautilus Middle		✓			✓		Likely to impact
<u>Region III Schools</u>							
Coral Gables Senior		✓			✓		Likely to impact
Miami Senior		✓			✓		Likely to impact
<u>Region IV Schools</u>							
G. Holmes Braddock Senior		✓			✓		Likely to impact
John A. Ferguson Senior		✓			✓		Likely to impact
<u>Education Transformation Office</u>							
Miami Jackson Senior		✓			✓		Likely to impact
Booker T. Washington Senior		✓			✓		Likely to impact

INTERNAL CONTROLS RATING

The internal controls rating of the 39 schools reported herein with no audit exceptions are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Region I Schools</u>							
Van E. Blanton Elementary	✓			✓			Not Likely to impact
Bunche Park Elementary	✓			✓			Not Likely to impact
Flamingo Elementary	✓			✓			Not Likely to impact
Meadowlane Elementary	✓			✓			Not Likely to impact
Miami Lakes K-8 Center	✓			✓			Not Likely to impact
Palm Springs Elementary	✓			✓			Not Likely to impact
Palm Springs North Elementary	✓			✓			Not Likely to impact
Rainbow Park Elementary	✓			✓			Not Likely to impact
John I. Smith Elementary	✓			✓			Not Likely to impact
Eugenia B. Thomas K-8 Center	✓			✓			Not Likely to impact
Mae Walters Elementary	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
West Hialeah Gardens Elementary	✓			✓			Not Likely to impact
Charles D. Wyche, Jr. Elementary	✓			✓			Not Likely to impact
Nathan B. Young Elementary	✓			✓			Not Likely to impact
Lawton Chiles Middle	✓			✓			Not Likely to impact
Doral Middle	✓			✓			Not Likely to impact
Henry H. Filer Middle	✓			✓			Not Likely to impact
Madison Middle	✓			✓			Not Likely to impact
Westview Middle	✓			✓			Not Likely to impact
American Senior	✓			✓			Not Likely to impact
Barbara Goleman Senior	✓			✓			Not Likely to impact
Hialeah Gardens Senior	✓			✓			Not Likely to impact
Ronald W. Reagan/Doral Sr.	✓			✓			Not Likely to impact
<u>Region II Schools</u>							
Arch Creek Elementary	✓			✓			Not Likely to impact
Linda Lentin K-8 Center	✓			✓			Not Likely to impact
Miami Beach Senior	✓			✓			Not Likely to impact

INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Region V Schools</u>							
Campbell Drive Elementary	✓			✓			Not Likely to impact
Coconut Palm K-8 Center	✓			✓			Not Likely to impact
Redondo Elementary	✓			✓			Not Likely to impact
Laura C. Saunders Elementary	✓			✓			Not Likely to impact
Centennial Middle	✓			✓			Not Likely to impact
Homestead Middle	✓			✓			Not Likely to impact
Mays Middle	✓			✓			Not Likely to impact
Redland Middle	✓			✓			Not Likely to impact
Richmond Heights Middle	✓			✓			Not Likely to impact
South Dade Middle	✓			✓			Not Likely to impact
<u>Education Transformation Office</u>							
Miami Edison Middle	✓			✓			Not Likely to impact
North Miami Middle	✓			✓			Not Likely to impact
Miami Carol City Senior	✓			✓			Not Likely to impact

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at the 8 schools reported herein with audit exceptions are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>Region II Schools</u>					
6351	Lake Stevens Middle	1	▪ Bookkeeping Function	None	
6541	Nautilus Middle	2	▪ FTE-SPED ▪ FTE-ELL	None	
<u>Region III Schools</u>					
7071	Coral Gables Senior	1	▪ Instructional Mat. & Suppl. (Fund 9)	None	
7461	Miami Senior	1	▪ Title I Program	None	
<u>Region IV Schools</u>					
7051	G. Holmes Braddock Senior	1	▪ Fundraising	None	
7121	John A. Ferguson Senior	1	▪ Field Trips	None	
<u>Education Transformation Office</u>					
7341	Miami Jackson Senior	2	▪ Disbursements ▪ Fundraising	None	
7791	Booker T. Washington Senior*	1	▪ Payroll	4	▪ Child Care ▪ Payroll ▪ Property ▪ School Site IT
TOTAL		10		4	

Note:

* Although former administration was responsible during 2009-10 fiscal year, payroll findings involve conditions identified during former and current administrations. Refer to pages 25 and 60-62.

SUMMARY SCHEDULE OF AUDIT FINDINGS

Summary of findings at the 39 schools reported herein with no audit exceptions are as follows:

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
<u>Region I Schools</u>					
0401	Van E. Blanton Elementary	None		None	
0641	Bunche Park Elementary	None		None	
1921	Flamingo Elementary	None		None	
3141	Meadowlane Elementary	None		None	
3281	Miami Lakes K-8 Center	None		None	
4261	Palm Springs Elementary	None		None	
4281	Palm Springs North Elementary	None		None	
4541	Rainbow Park Elementary	None		None	
5101	John I. Smith Elementary	None		None	
0071	Eugenia B. Thomas K-8 Center	None		None	
5711	Mae Walters Elementary	None		None	
2371	West Hialeah Gardens Elementary	None		1	▪ FTE-ELL
5991	Charles D. Wyche, Jr. Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
5971	Nathan B. Young Elementary	None		None	
6161	Lawton Chiles Middle	None		None	
6151	Doral Middle	None		None	
6171	Henry H. Filer Middle	None		None	
6391	Madison Middle	None		1	▪ School Site IT
6981	Westview Middle	None		1	▪ FTE-ELL
7011	American Senior	None		1	▪ P-Card
7751	Barbara Goleman Senior	None		None	
7191	Hialeah Gardens Senior	None		None	
7241	Ronald W. Reagan/Doral Senior	None		None	
<u>Region II Schools</u>					
0341	Arch Creek Elementary	None		None	
2911	Linda Lentin K-8 Center	None		None	
7201	Miami Beach Senior	None		None	
<u>Region V Schools</u>					
0651	Campbell Drive Elementary	None		None	

SUMMARY SCHEDULE OF AUDIT FINDINGS

Work Loc. No.	Schools	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
3621	Coconut Palm K-8 Center	None		None	
4611	Redondo Elementary	None		None	
2941	Laura C. Saunders Elementary	None		None	
6081	Centennial Middle	None		None	
6251	Homestead Middle	None		None	
6431	Mays Middle	None		None	
6761	Redland Middle	None		None	
6781	Richmond Heights Middle	None		1	▪ Disbursements
5003	South Dade Middle	None		None	
<u>Education Transformation Office</u>					
6481	Miami Edison Middle	None		None	
6631	North Miami Middle	None		None	
7231	Miami Carol City Senior	None		None	
TOTAL		None		5	

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Listed below are the names of the former and current principals, as applicable. **The highlighted name(s) represents the principal(s)/administrator(s) in charge of the school during the audit period:**

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
<u>Region I Schools</u>			
0401	Van E. Blanton Elementary	Ms. Tangela D. Goa	N/A=No Change of Principal Since Prior Audit
0641	Bunche Park Elementary	Dr. Viola E. Irons	N/A=No Change of Principal Since Prior Audit
1921	Flamingo Elementary	Ms. Lisa K. Wiggins (Temporary Principal)	Ms. Claudia V. James
3141	Meadowlane Elementary	Dr. Kevin P. Hart	N/A=No Change of Principal Since Prior Audit
3281	Miami Lakes K-8 Center	Ms. Rosa L. Calvo	N/A=No Change of Principal Since Prior Audit
4261	Palm Springs Elementary	Ms. Roxana D. Herrera	N/A=No Change of Principal Since Prior Audit
4281	Palm Springs North Elementary	Dr. Manuel Sanchez, III	N/A=No Change of Principal Since Prior Audit
4541	Rainbow Park Elementary	Ms. Robin T. Armstrong	N/A=No Change of Principal Since Prior Audit
5101	John I. Smith Elementary	Ms. Gwendolyn C. Hines	N/A=No Change of Principal Since Prior Audit
0071	Eugenia B. Thomas K-8 Center	Ms. Mayra B. Falcon	N/A=No Change of Principal Since Prior Audit
5711	Mae Walters Elementary	Ms. Yolanda L. Valls	N/A=No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
2371	West Hialeah Gardens Elementary	Ms. Sharon M. Gonzalez	N/A=No Change of Principal Since Prior Audit
5991	Charles D. Wyche, Jr. Elementary	Dr. Barbara L. Johnson	N/A=No Change of Principal Since Prior Audit
5971	Nathan B. Young Elementary	Mr. Raymond J. Sands	N/A=No Change of Principal Since Prior Audit
6161	Lawton Chiles Middle	Mr. John Messersmith	N/A=No Change of Principal Since Prior Audit
6151	Doral Middle	Ms. Tatiana M. De Miranda	N/A=No Change of Principal Since Prior Audit
6171	Henry H. Filer Middle	Ms. Deborah L. Love	N/A=No Change of Principal Since Prior Audit
6391	Madison Middle	Dr. Tonya S. Dillard	N/A=No Change of Principal Since Prior Audit
6981	Westview Middle	Ms. Robin Y. Atkins	N/A=No Change of Principal Since Prior Audit
7011	American Senior	Mr. Luis E. Diaz	N/A=No Change of Principal Since Prior Audit
7751	Barbara Goleman Senior	Mr. Carlos Artime	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
7241	Ronald W. Reagan/Doral Senior	Dr. Jacques Y. Bentolila	N/A=No Change of Principal Since Prior Audit
<u>Region II Schools</u>			
0341	Arch Creek Elementary	Ms. Marie A. Bazile	N/A=No Change of Principal Since Prior Audit
2911	Linda Lentin K-8 Center	Ms. Agenoria T. Powell	N/A=No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
6351	Lake Stevens Middle	Dr. Mark Soffian	N/A=No Change of Principal Since Prior Audit
6541	Nautilus Middle	Dr. Allyn G. Bernstein	N/A=No Change of Principal Since Prior Audit
7201	Miami Beach Senior	Dr. Rosann P. Sidener	N/A=No Change of Principal Since Prior Audit
<u>Region III Schools</u>			
7071	Coral Gables Senior	Mr. Adolfo L. Costa	N/A=No Change of Principal Since Prior Audit
7461	Miami Senior	Mr. Benny Valdes	N/A=No Change of Principal Since Prior Audit
<u>Region IV Schools</u>			
7051	G. Holmes Braddock Senior	Mr. Manuel S. Garcia	N/A=No Change of Principal Since Prior Audit
7121	John A. Ferguson Senior	Ms. Jane M. Garraux	N/A=No Change of Principal Since Prior Audit
<u>Region V Schools</u>			
0651	Campbell Drive Elementary	Ms. Thelma Fornell	N/A=No Change of Principal Since Prior Audit
3621	Coconut Palm K-8 Center	Dr. Linda A. Amica-Roberts	N/A=No Change of Principal Since Prior Audit
4611	Redondo Elementary	Dr. Rene E. Baly	N/A=No Change of Principal Since Prior Audit
2941	Laura C. Saunders Elementary	Ms. Margaret D. Ferrarone	N/A=No Change of Principal Since Prior Audit

LIST OF SCHOOL PRINCIPALS/ADMINISTRATORS

Work Loc. No.	Schools	Current Principal/Administrator	Former Principal(s)/Administrator(s)
6081	Centennial Middle	Ms. Yamila M. Carballo	N/A=No Change of Principal Since Prior Audit
6251	Homestead Middle	Ms. Rachelle A. Surrancy	N/A=No Change of Principal Since Prior Audit
6431	Mays Middle	Mr. Martin T. Reid	N/A=No Change of Principal Since Prior Audit
6761	Redland Middle	Ms. Beverley A. Salomatoff	N/A=No Change of Principal Since Prior Audit
6781	Richmond Heights Middle	Ms. Kristal B. Hickmon	N/A=No Change of Principal Since Prior Audit
5003	South Dade Middle	Mr. Brian Hamilton	N/A=No Change of Principal Since Prior Audit
<u>Education Transformation Office</u>			
6481	Miami Edison Middle	Dr. Isolyn T. Hillhouse	N/A=No Change of Principal Since Prior Audit
6631	North Miami Middle	Ms. Melanie E. Megias	N/A=No Change of Principal Since Prior Audit
7231	Miami Carol City Senior	Mr. Nelson Izquierdo	N/A=No Change of Principal Since Prior Audit
7341	Miami Jackson Senior	Mr. Julian Cazañas, Jr.	N/A=No Change of Principal Since Prior Audit
7791	Booker T. Washington Senior	Mr. William Aristide (Effective November 15, 2010)	Mr. Rafael Villalobos (Through November 14, 2010; resigned)

PROPERTY SCHEDULES

The results of the property inventories conducted at the 104 schools reported herein follows:

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>Region I Schools</u>								
0101	Arcola Lake Elementary ⁽¹⁾	78	\$ 179,067	None	-	-	None	-
0401	Van E. Blanton Elementary	73	198,992	None	-	-	None	-
0481	James H. Bright Elementary ⁽²⁾	165	366,234	None	-	-	None	-
0521	Broadmoor Elementary ⁽²⁾	65	157,705	None	-	-	None	-
0641	Bunche Park Elementary	73	259,722	None	-	-	None	-
0122	Dr. Rolando Espinosa K-8 Ctr. ⁽²⁾	177	731,326	None	-	-	None	-
1921	Flamingo Elementary	220	429,977	None	-	-	None	-
2161	Golden Glades Elementary ⁽¹⁾	87	193,172	None	-	-	None	-
0091	Bob Graham Education Center ⁽²⁾	237	515,026	None	-	-	None	-
2821	Lakeview Elementary ⁽¹⁾	156	386,920	None	-	-	None	-
3141	Meadowlane Elementary	175	336,878	None	-	-	None	-
5901	Carrie P. Meek/Westview El. ⁽²⁾	91	309,977	None	-	-	None	-
3281	Miami Lakes K-8 Center	238	665,420	None	-	-	None	-
3421	M.A. Milam K-8 Center ⁽²⁾	235	503,942	None	-	-	None	-
3901	North Hialeah Elementary ⁽²⁾	91	344,440	None	-	-	None	-
4261	Palm Springs Elementary	231	529,575	None	-	-	None	-
4281	Palm Springs North Elementary	141	384,055	None	-	-	None	-
4541	Rainbow Park Elementary	115	250,836	None	-	-	None	-
4491	Henry E. S. Reeves El. ⁽²⁾	88	280,081	None	-	-	None	-
5021	Ben Sheppard Elementary ⁽²⁾	192	411,671	3	\$ 4,143	\$ 172	None	-

Notes:

1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).

2 Property audits completed; school audits to be conducted next fiscal year (54 schools).

3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
5101	John I. Smith Elementary	140	351,120	None	-	-	None	-
2191	Spanish Lake Elementary ⁽²⁾	94	416,442	None	-	-	None	-
0071	Eugenia B. Thomas K-8 Center	258	547,992	None	-	-	None	-
5711	Mae M. Walters Elementary	175	327,578	None	-	-	None	-
2371	West Hialeah Gardens El.	74	463,297	None	-	-	None	-
5991	Charles D. Wyche, Jr. El.	109	213,065	None	-	-	None	-
5971	Nathan B. Young Elementary	152	234,076	None	-	-	None	-
6161	Lawton Chiles Middle	830	1,479,451	None	-	-	6	\$7,833
6151	Doral Middle	314	714,761	None	-	-	None	-
6171	Henry H. Filer Middle	246	562,447	None	-	-	None	-
6391	Madison Middle	220	663,711	None	-	-	None	-
6421	Jose Marti Middle ⁽¹⁾	502	1,185,735	None	-	-	None	-
6981	Westview Middle	236	449,063	None	-	-	None	-
7011	American Senior	644	1,468,711	None	-	-	None	-
7751	Barbara Goleman Senior	802	1,693,432	None	-	-	None	-
7111	Hialeah Senior ⁽²⁾	1,176	2,701,039	None	-	-	10	20,539
7191	Hialeah Gardens Senior	603	2,057,190	None	-	-	None	-
7391	Miami Lakes Ed. Center ⁽²⁾	520	1,372,526	None	-	-	None	-
8901	Miami Lakes Adult Ed. Ctr. ⁽²⁾	1,261	5,569,788	None	-	-	None	-
7241	Ronald W. Reagan/Doral Senior	843	1,806,220	None	-	-	None	-
7049	Westland Hialeah Senior ⁽²⁾	413	1,356,159	None	-	-	None	-

Notes:

- 1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).
- 2 Property audits completed; school audits to be conducted next fiscal year (54 schools).
- 3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>Region II Schools</u>								
0341	Arch Creek Elementary	101	213,488	None	-	-	None	-
0461	Brentwood Elementary ⁽¹⁾	320	593,642	None	-	-	None	-
0761	Fienberg-Fisher K-8 Center ⁽²⁾	221	401,268	None	-	-	None	-
2081	Fulford Elementary ⁽²⁾	81	216,740	None	-	-	None	-
2241	Gratigny Elementary ⁽²⁾	120	302,820	None	-	-	None	-
3241	Miami Gardens Elementary ⁽²⁾	57	119,231	None	-	-	None	-
4961	Shadowlawn Elementary ⁽²⁾	148	306,956	None	-	-	None	-
2911	Linda Lentin K-8 Center	289	632,958	None	-	-	None	-
6351	Lakes Stevens Middle	266	573,867	None	-	-	None	-
6541	Nautilus Middle	270	735,932	None	-	-	None	-
7081	Design & Architecture Senior ⁽²⁾	465	923,887	None	-	-	None	-
7201	Miami Beach Senior	577	1,735,241	None	-	-	None	-
<u>Region III Schools</u>								
1681	Lillie C. Evans Elementary ⁽²⁾	144	414,377	None	-	-	None	-
2981	Liberty City Elementary ⁽²⁾	129	308,591	None	-	-	None	-
4071	Olinda Elementary ⁽²⁾	93	176,983	None	-	-	None	-
4841	Santa Clara Elementary ⁽²⁾	97	301,718	None	-	-	None	-
5831	Henry S. West Laboratory ⁽²⁾	123	208,734	2	2,048	888	None	-
7071	Coral Gables Senior	452	1,116,953	None	-	-	None	-
7461	Miami Senior	714	1,643,042	None	-	-	None	-

Notes:

1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).

2 Property audits completed; school audits to be conducted next fiscal year (54 schools).

3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>Region IV Schools</u>								
1811	Dante B. Fascell Elementary ⁽²⁾	177	411,962	None	-	-	None	-
2261	Greenglade Elementary ⁽²⁾	108	239,196	None	-	-	None	-
0831	Claude Pepper Elementary ⁽²⁾	105	246,319	None	-	-	None	-
4761	Royal Palm Elementary ⁽²⁾	153	299,779	None	-	-	None	-
5521	Tropical Elementary ⁽²⁾	146	329,375	None	-	-	None	-
7051	G. Holmes Braddock Senior	795	1,975,999	None	-	-	None	-
7121	John A. Ferguson Senior	940	2,418,501	None	-	-	None	-
<u>Region V Schools</u>								
0161	Avocado Elementary ⁽²⁾	272	490,427	None	-	-	None	-
4651	Ethel F. Beckford/Richmond Elementary ⁽²⁾	99	215,905	None	-	-	None	-
0651	Campbell Drive Elementary ⁽³⁾						None	-
3621	Coconut Palm K-8 Academy	159	546,630	None	-	-	None	-
1041	Coral Reef Elementary ⁽²⁾	63	167,695	None	-	-	None	-
2901	Leisure City K-8 Center ⁽²⁾	231	483,082	None	-	-	None	-
0073	Mandarin Lakes K-8 Academy ⁽²⁾	184	522,351	None	-	-	None	-
4221	Palmetto Elementary ⁽²⁾	106	219,708	None	-	-	None	-
4581	Redland Elementary ⁽²⁾	106	258,159	None	-	-	None	-
4611	Redondo Elementary	96	225,800	None	-	-	None	-
2941	Laura C. Saunders Elementary ⁽³⁾							
6081	Centennial Middle	360	682,945	None	-	-	None	-

Notes:

1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).

2 Property audits completed; school audits to be conducted next fiscal year (54 schools).

3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
6251	Homestead Middle ⁽³⁾							
6431	Mays Middle	243	615,477	None	-	-	None	-
6761	Redland Middle	350	714,176	None	-	-	None	-
6781	Richmond Heights Middle	399	975,566	None	-	-	2	3,086
5003	South Dade Middle	353	807,053	None	-	-	None	-
6861	Southwood Middle ⁽²⁾	324	743,777	None	-	-	None	-
7101	Coral Reef Senior ⁽²⁾	1,104	2,619,701	None	-	-	None	-
7431	Miami Palmetto Senior ⁽²⁾	539	1,215,567	None	-	-	None	-
7701	South Dade Senior ⁽²⁾	890	2,762,565	None	-	-	None	-
<u>Education Transformation Office</u>								
5861	Dr. Henry W. Mack/W. Little River Elem. ⁽¹⁾	136	277,442	None	-	-	None	-
3021	Jesse J. McCrary Jr. El. ⁽²⁾	186	334,216	None	-	-	None	-
6481	Miami Edison Middle	218	617,947	3	3,924	-	None	-
6631	North Miami Middle	231	541,823	None	-	-	None	-
7231	Miami Carol City Senior ⁽³⁾							
7341	Miami Jackson Senior	532	1,846,690	None	-	-	None	-
7381	Miami Norland Senior ⁽²⁾	290	732,898	None	-	-	None	-
7411	Miami Northwestern Senior ⁽²⁾	738	1,819,378	6	13,300	5,842	None	-
7591	North Miami Senior ⁽²⁾	575	1,296,558	9	12,956	2,766	4	6,692
7791	Booker T. Washington Senior	752	2,050,148	None	-	-	22	31,951

Notes:

- 1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).
- 2 Property audits completed; school audits to be conducted next fiscal year (54 schools).
- 3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

Work Location No.	Schools	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value
				No. Of Items	At Cost	At Deprec. Value		
<u>Adult Education Centers</u>								
7012	American Adult Education Center ⁽²⁾	208	359,663	None	-	-	None	-
7072	Coral Gables Adult Education Center ⁽²⁾	17	39,319	None	-	-	None	-
7841	The English Center ⁽²⁾	225	431,028	None	-	-	None	-
7112	Hialeah Adult Education Center ⁽²⁾	131	453,316	None	-	-	None	-
7132	Hialeah-Miami Lakes Adult Education Center ⁽²⁾	60	118,027	None	-	-	None	-
7462	Miami Senior Adult Education Center ⁽²⁾	54	113,516	None	-	-	None	-
7432	Miami Palmetto Adult Education Center ⁽¹⁾	97	155,358	2	2,150	-	None	-
7592	North Miami Adult Education Center ⁽²⁾	45	95,355	None	-	-	None	-
7742	Southwest Miami Adult Education Center ⁽²⁾	23	44,579	None	-	-	None	-
<u>Alternative Education Center</u>								
8201	Corporate Academy South ⁽²⁾	26	61,558	None	-	-	None	-
TOTAL		30,053	\$ 75,325,462	25	\$38,521	\$ 9,668	44	\$70,101

Notes:

- 1 School audit previously reported this fiscal year. Property inventory results were pending reporting until now (7 schools).
- 2 Property audits completed; school audits to be conducted next fiscal year (54 schools).
- 3 Property audit is in progress; its results to be reported next year (4 schools).

PROPERTY SCHEDULES

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

Work Location No.	Schools	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)			Total Depreciated Value
					Computers	Audio Visual	Other ¹	
<u>Region I Schools</u>								
5021	Ben Sheppard Elementary	2	11	\$ 16,818	\$ 16,818	-	-	\$ 150
2191	Spanish Lake Elementary	1	1	5,036	-	-	\$ 5,036	4,029
6161	Lawton Chiles Middle	1	1	1,024	1,024	-	-	393
6171	Henry H. Filer Middle	1	1	1,516	1,516	-	-	-
6421	Jose Marti Middle	1	2	2,313	1,129	-	1,184	189
7011	American Senior	1	2	3,340	1,346	\$ 1,994	-	300
7111	Hialeah Senior	1	2	3,541	-	-	3,541	650
7391	Miami Lakes Educational Center	1	4	4,274	4,274	-	-	3,464
8901	Miami Lakes Adult Education Center	2	4	6,551	-	-	6,551	3,287
7241	Ronald W. Reagan/Doral Senior	1	1	1,129	1,129	-	-	132
<u>Region II Schools</u>								
0461	Brentwood Elementary	1	4	7,318	7,318	-	-	-
2241	Gratigny Elementary	1	1	1,185	-	-	1,185	284
6351	Lakes Stevens Middle	2	2	2,654	1,355	-	1,299	294
<u>Region III School</u>								
7461	Miami Senior (refer to <i>Notes on page 33</i>)	4	21	29,013	26,360	2,653	-	11,783
<u>Region IV Schools</u>								
7051	G. Holmes Braddock Senior	1	1	1,079	-	-	1,079	250
7121	John A. Ferguson Senior	1	1	5,669	-	-	5,669	4,787

PROPERTY SCHEDULES

Work Location No.	Schools	No. of Plant Security Reports	Total Items	Total Amount at Cost	CATEGORY (AT COST)			Total Depreciated Value
					Computers	Audio Visual	Other ¹	
<u>Region V Schools</u>								
1041	Coral Reef Elementary	1	1	2,959	-	-	2,959	1,927
6081	Centennial Middle	1	1	1,054	-	-	1,054	644
6431	Mays Middle	1	1	1,749	-	-	1,749	-
7101	Coral Reef Senior	1	1	1,630	1,630	-	-	-
<u>Education Transformation Office</u>								
6631	North Miami Middle	2	2	2,254	1,024	-	1,230	955
7341	Miami Jackson Senior (refer to <i>Notes</i> below)	2	12	26,816	10,424	9,147	7,245	9,818
7381	Miami Norland Senior	1	3	6,018	-	4,318	1,700	4,195
7591	North Miami Senior	1	1	1,249	1,249	-	-	562
7791	Booker T. Washington Senior	2	6	8,361	6,842	1,519	-	3,336
<u>Adult Education Centers</u>								
7112	Hialeah Adult Education Center	2	2	3,497	3,497	-	-	-
7592	North Miami Adult Ed. Center	1	1	1,288	1,288	-	-	-
TOTAL		37	90	\$ 149,335	\$ 88,223	\$ 19,631	\$ 41,481	\$ 51,429

Notes:

1 *Other Equipment* included several golf carts, a pressure cleaner, a scale, an engraver and similar equipment.

The following Principals provided a brief explanation as to the events surrounding these losses and proposed action plans:

- At Miami Senior, it appears losses were mostly due to the major renovation/capital construction project currently underway, and the school's inability to further secure the premises during this period of constant flux. According to the Principal, losses should be minimized once the new facility is operational (Page 87 of Appendix).
- At Miami Jackson Senior, losses may have been the result of break-ins and similar losses of equipment. According to the Principal, he has implemented a corrective action plan with his administrative staff to strengthen the safeguarding of equipment, and has plans to share with the rest of the staff for improved controls over property (Page 96 of Appendix).

FINDINGS AND RECOMMENDATIONS

INTERNAL FUNDS

1. **Bookkeeping Function Not Compliant With Procedures *Lake Stevens Middle***

At this school, total disbursements and collections reported for the 2009-2010 fiscal year amounted to \$74,957 and \$82,076, respectively.

Section II Chapter 5 of the *Manual of Internal Fund Accounting* provides the guidelines for disbursing funds and documenting the disbursements. Specifically, the procedures require that checks be issued to a specific person, company or organization, as the practice of issuing blank checks *is prohibited*. Additionally, a refund at middle schools must be processed via check addressed to the individual person when the amount equals or exceeds \$25; and vendor invoices must be verified to ensure their accuracy prior to issuing payment.

Our review of disbursement documentation and cancelled checks disclosed the following departures from the general disbursement requirements:

- 1.1. We identified five instances where the school issued a check without the payee's name and/or amount of the check. It appears that at the time of the purchase, the payee printed the name and the amount. Total amount disbursed was approximately \$1,300. It also appears that the purchases were appropriate based on the documentation supporting the disbursements.
- 1.2. Refunds issued to students over \$25 each were not paid individually to the students via check but as a single payment to the sponsor of the activity, who in turn refunded the students and obtained their signatures as proof of payment. A refund sheet signed by the students but not by the sponsor was on file to support the disbursement. The total amount refunded was \$563.

Other discrepancies included a small overpayment to the memory book vendor and not having selected the District's approved vendor for the purchase of locks. Details of these discrepancies were discussed with the school administration for corrective action.

Section III, Chapter 9 of the *Manual* establishes that individual purchases charged to the Instructional Materials and Supplies (Fund 9) account must not exceed

\$2,999.99. These guidelines prohibit the splitting of purchases to circumvent this threshold. However, we found that:

- 1.3. An order consisting of ink and toner totaling approximately \$4,100 charged to the Fund 9 account was split into six separate disbursements of less than \$2,999 each. The vendor invoices supporting the disbursements were dated and numbered consecutively.

Because the armored car service provides deposit pick-up service to the schools on certain scheduled days, the Office of the Controller's *Policies and Procedures for Safeguarding Funds at the Schools* was published via *Weekly Briefing # 5164*, dated November 6, 2008, to address the safeguarding of deposits at schools. Pursuant to the procedures, deposits awaiting the armored car pick-up service are to be logged on the Collections/Deposits Log [FM-7249] *at the time the deposit is placed in the secure area and removed from this area for the armored car pick-up service*. At this school, during the prior audit, we found that the Collections/Deposits Log was not properly completed. This year we found that:

- 1.4. Although the Collections/Deposits Log was signed by both the Treasurer and the Principal's designee, it appears that the form was signed after-the-fact. This weakens the purpose for utilizing this form. We also noted a few discrepancies between the dates in this form when compared to the armored car service pick-up log.

Section V, Chapters 1 and 2 of the *Manual of Internal Fund Accounting* require that an accurate inventory of official forms be prepared at the end of the fiscal year and that all official records be retained for audit.

- 1.5. During the previous two audits, we had discussed with the school administration that the inventory report was incomplete and contained errors. For the 2009-2010 fiscal year similar errors and omissions were identified. We verified all forms to ensure that none was missing.

RECOMENDATIONS

- 1.1. Discontinue the issuance of partially completed checks.**
- 1.2. Strengthen the review over the disbursement function with staff to ensure awareness and understanding of the procedures, specifically those related to Fund 9 disbursements and the issuance of refunds.**
- 1.3. Enforce proper utilization of the Collections/Deposits Log form [FM-7249] and periodically review to ensure it is properly utilized.**

1.4. Ensure that the school properly inventories all official forms and that the administration carefully reviews the inventory prior to filing.

Person(s) Responsible:

Principal and Treasurer

Management Response:

The principal met with the treasurer to review procedures outlined in Section II, Chapter 5 of the *Manual of Internal Fund Accounting* related to bookkeeping, supporting documentation and reporting procedures for disbursing funds. At the end of each month the principal and treasurer will meet to review, discuss and verify that activity reports and information are accurate and timely. The principal will direct the treasurer to discontinue the issuance of partially completed checks. The principal will monitor the monthly bank checks and statements to ensure the checks are issued correctly and completely to a specific person, company or organization. The principal will only sign checks that are completed with date, vendor, dollar amount, and corresponding purchase order.

The principal reviewed with the treasurer the refund procedure to students in the amount over \$25. The principal will monitor each month any refund that equals or exceeds \$25 and will ensure that the procedure is processed appropriately via check and addressed to the individual person.

The principal reviewed with the treasurer the procedures for making individual purchases charged to the Instructional Materials and Supplies (Fund 9) as indicated in Section III, Chapters 9 of the *Manual of Internal Fund Accounting*. The principal instructed the treasurer and assistant principal that all disbursements charged to the Fund 9 account are limited to \$2,999 and splitting purchases to circumvent this threshold is prohibited. The principal reviewed with the treasurer the Fund 9 procedures of allowable expenditures and expenditures not allowed to be purchased to support the instructional program (Section III, Chapter 9). Additionally, the principal will personally review all purchases and disbursements for proper documentation and ensure that appropriate procedures are followed.

The principal reviewed with the treasurer, assistant principal and secretary (back-up to treasurer) the *Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools* that was published via Weekly Briefing #5164, dated November 6, 2008, to address the safeguarding of deposits at schools. The principal will review and monitor weekly the Collections/Deposits Log, (FM-7249) for appropriate signatures when monies are safeguarded in the vault overnight. Furthermore, the principal will review with the treasurer, assistant principal and secretary Section V, chapters 1 and 2 of the *Manual of Internal Fund Accounting* to

ensure and accurate inventory of official forms be prepared at the end of the fiscal year and that all official records are retained for audit.

The district's Business Manager will provide additional training to the Treasurer in the area of bookkeeping functions, specifically covering disbursing funds, documenting the disbursements, Fund 9 purchases and preparing and completing the following report: Collections/Deposits Log (FM-7249).

Ongoing and periodic training will be requested for treasurer, school sponsors, and principal's designee to provide opportunities for support, growth and improvement.

Please be assured Lake Stevens Middle School is committed to 100 percent compliance with the established procedures outlined in the Manual of Internal Fund Accounting.

Person(s) Responsible:

Region II Administration

Management Response:

- The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review Section II, Chapter 5 of the Manual of Internal Fund Accounting to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.
- The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review *Weekly Briefing #5164* and ensure that procedures for safeguarding deposits at the school site utilizing Form #7249 are precisely followed.
- The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review Section V, Chapters 1 and 2 of the Manual of Internal Fund Accounting to develop and submit a systematic written plan to ensure that an accurate inventory of official forms is prepared and maintained on file at the school site at the end of the fiscal year.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

Person(s) Responsible:

District/School Operations

Management Response:

- District/School Operations will assess results quarterly of the District/Region Business Directors reviews of selected areas of Internal Funds, Student Activities, Disbursements and Deposits. Discrepancies will be investigated through the appropriate District/Regional Center office.
- District/School Operations in collaboration with the region will facilitate schedules for technical training with the appropriate office on a bi-monthly basis or as requested with the principal, business manager and/or appropriate district offices to review selected areas of Internal Funds, deposits and disbursements and/or ELL/SPED compliance.
- The Money Matters Support Program will provide information on the proper implementation of Title I Compliance requirements, Internal Funds and appropriate purchases, property control, child care and community school and properly completing and updating the ELL documents to reduce the probability of consequential funding disallowances.

**2. Inadequate Controls Over
The Sale And Inventory Of
Physical Education
Shirts And Shorts
G. Holmes Braddock Senior**

According to Section IV, Chapter 2 of the *Manual of Internal Fund Accounting*, the sponsor of a fundraising activity conducted at the school is responsible for monitoring the sale of fundraising merchandise, preparing the corresponding activity report at its conclusion, and safeguarding the merchandise inventory.

During the 2009-2010 fiscal year, the school conducted a continuous fundraising activity consisting of the sale of physical education shirts and shorts⁴. Collections posted to the account for the 2009-2010 and 2010-2011 totaled approximately \$3,300 and \$7,200, respectively. Our review initially revealed discrepancies with the physical inventory of unsold merchandise and the information in the report and what appeared to be a \$2,800 shortfall in the revenues raised from this activity. Consequently, we extended review of this activity up to the time of our visit and found that:

- 2.1. A proper revenue analysis of this activity could not be performed due to inadequate controls over the inventory of unsold merchandise. This contributed to inaccuracies in the beginning and ending inventory counts reported for the 2009-2010 fiscal year activity. We attempted to re-calculate the beginning inventory using prior years' records and reports; however, the reports disclosed errors and the counts reported could no longer be verified at this time.
- 2.2. According to the sponsor, he may have included in the inventory counts used clothing donated by former students; however, he did not segregate these items from the regular inventory. Also, he told us that some of the items purchased by the school had been returned to the vendor for replacement, and the vendor had maintained custody over these items awaiting delivery instructions from the school. Evidence of this removal consisted of a handwritten document prepared by the sponsor. Our attempts to contact the vendor to verify this incident were unsuccessful. However, the sponsor claims that the vendor delivered the items in question prior to our final inventory counts which took place in January 2011.
- 2.3. During the 2008-2009 activity, which was the year prior to our audit period, the school had sold approximately 300 shirts and 600 shorts. During the 2009-2010

⁴ Sale of physical education shirts and shorts was elective to the students and considered a fundraiser, since students were not mandated to purchase these items from the school. Students could purchase the items from outside vendors, provided they complied with the color scheme of the school.

fiscal year, the school reported sales of only 140 shirts and 186 shorts. Nevertheless, although the activity carried forward unsold merchandise capable of covering similar quantities the next year, the sponsor placed an order with the vendor for 400 shirts and 400 shorts in March 2010. We considered that this order was excessive as our counts in January 2011 disclosed that approximately 1,100 shorts and 800 shirts remained in inventory at the school. When questioned, the sponsor said that he purchased additional merchandise to take advantage of price offers and maintain sufficient inventory for the following year.

We reviewed the documentation supporting this purchase to ensure compliance with Section II, Chapter 4 of the *Manual* requirements for obtaining at least three documented telephone quotes for purchases of \$1,000 or more but less than \$5,000. We found that:

- 2.4. The aforementioned purchase totaling \$3,959 was not documented with the minimum of three quotes. In lieu of quotes, the school provided us with two other vendor's catalog pages showing the unit prices of comparable merchandise. *The school has been using the same vendor for several years.*
- 2.5. The account had closed the 2009-2010 fiscal with a balance of almost \$16,400 and had collected \$7,248 during the 2010-2011 fiscal year up to the closing of the activity. Although school records indicate that the purpose of the fundraiser was to assist with expenditures associated with the school's athletic activities, up to the time of our audit and except for expenditures associated with the purchase of the merchandise, the disbursement activity was close to nil.

Upon discussing these issues with the Principal, he indicated that the school would no longer conduct this activity as a fundraiser, and the remaining inventory would be placed in a secure area and sold to students at cost under the supervision of the treasurer's office.

RECOMMENDATIONS

- 2.1. **Discuss the procedures for conducting fundraising activities with sponsors to ensure awareness and understanding of the expectations.**
- 2.2. **Strengthen controls over the accounting of merchandise for resale to students and ensure that activity sponsors maintain an accurate inventory of unsold merchandise, especially when it relates to continuous activities.**
- 2.3. **Require periodic reconciliations of continuous merchandising activities and carry-over inventories to identify possible discrepancies and resolve them in a timely manner.**

2.4. Ensure that the merchandise is properly safeguarded from loss.

2.5. Periodically assess fundraisers to ensure that the financial need for holding such activities is warranted.

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

Management Response:

In order to ensure that responsible staff members have the required awareness and understanding of adequate controls over the sale and inventory of items the Principal implemented the following corrective actions and preventative strategies with regard to fundraising activities and the sale of merchandise at the school.

The Principal met with the Assistant Principal, Treasurer, Activities Director and all Club Sponsors prior to the end of the 2010-2011 school year. The Treasurer provided written information regarding proper fundraising procedures, sales tax policies and the *Manual of Internal Fund Accounting* with specific focus on School Board Rules 6Gx13-3D-1.021 and 6Gx13-5C-1.061. During this meeting, all required forms for fundraising were reviewed and provided for all participants as well as discussion of proper procedures for conducting fundraising activities designed to ensure awareness and understanding of the required practices and to strengthen controls over the accounting of merchandise for resale to students. Emphasis was also placed on the responsibility of activity sponsors to maintain accurate inventories of unsold merchandise.

The Principal directed the Assistant Principal, Treasurer, Activities Director, and all Club Sponsors to work collaboratively to ensure that all fundraising activities conducted at G. Holmes Braddock Senior High School follow established procedures and that all merchandise for resale to students will be sold on a pre-sale basis. All merchandise will be properly safeguarded from loss in a secure location in the school, accessible by a specific key issued only to the Principal and Treasurer. The Principal directed the Assistant Principal, Treasurer, Activities Director and all Club Sponsors that any future fundraising activities will be limited to no more than two weeks. This procedure will assist Club Sponsors in maintaining an accurate inventory of unsold merchandise.

The Principal directed the Treasurer to conduct periodic reconciliations of continuous merchandising activities, including inventories as appropriate, of all fundraising activities and to notify the Principal and the Club Sponsors immediately of any discrepancies. Discrepancies will be addressed immediately.

The Principal confirmed with staff from the Office of Management and Compliance Audits that the current inventory of Physical Education T-shirts is 789 and 1,114 for

Physical Education shorts. These items are currently stored in a secure place in the school's main office. Only the Principal and the Treasurer have keyed access to this area. Additional Physical Education uniforms will not be purchased by the school until the current inventory is exhausted.

Additionally, the Treasurer will assume the sole responsibility for the sale of Physical Education uniforms to students at a designated location during the first three weeks of school for 2011-2012. The Principal has now mandated the purchase of Physical Education uniforms for students. These uniforms will be sold to students at cost. No Club Sponsors and/or Department Heads will be involved in the sale of Physical Education uniforms.

The Principal directed the Treasurer to conduct periodic inventories of any merchandise and/or Physical Education uniforms being sold and to advise the Principal immediately of any discrepancies.

The Principal directed the Assistant Principal to meet with the Treasurer and the Activities Director on a weekly basis to review any requests for fundraisers prior to submitting to the Principal for final approval. This review process is designed to ensure compliance with all procedures in the *Manual of Internal Fund Accounting* and to prevent future discrepancies.

The Principal will meet with all faculty and staff during the Opening of Schools meeting for 2011-2012 and review the *Manual of Internal Fund Accounting* with particular emphasis to be placed on Section IV, Chapter 2.

Person(s) Responsible:

Region IV Administration

Management Response:

- The Region IV Administrative Director will periodically review fundraising records at the school for any potential discrepancies with the *Manual of Internal Fund Accounting*.
- The Principal was directed to personally review fundraising and merchandising activities and all associated records for accuracy and compliance with the *Manual of Internal Fund Accounting*.
- The Principal will include a job target in the Performance Planning document for the 2011-2012 school year addressing the careful monitoring and implementation of all fundraising and merchandising in accordance with District policies and procedures detailed in the *Manual of Internal Fund Accounting*.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to page 38 of this report and page 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of G. Holmes Braddock Senior High School.

**3. Inadequate Controls
Over Instructional
Materials And Supplies
(Fund 9) Disbursements
Coral Gables Senior**

Section III, Chapter 9 of the *Manual of Internal Fund Accounting* delineates the procedures for processing disbursements using Instructional Material and Supplies (Fund-9) revenue.

The Fund 9 account was established in the school's internal funds to provide Principals some flexibility when making purchases at the school site level. To obtain revenue for this account, schools are advanced specified amounts of their allocated tax-dollar budget funds appropriated for supplies to the internal funds of the school. The funds are placed in the school's checking account, specifically the Fund 9 account, for future spending. At senior high schools, the amount advanced is \$20,000.

One of the requirements established in this Section and Chapter of the *Manual* specific to Fund 9 is that all expenditures must be reported to the District by year-end and the account must not incur a deficit balance. In order to replenish the account, the schools must report the expenditures incurred to the District. However, replenishments can only be processed when *funds in the District's school budget are available*.

Total Fund 9 expenditures reported at June 30, 2010 totaled \$46,968. Our review of the associated Fund 9 account activity disclosed the following discrepancies:

- 3.1. The posting of expenditures made toward the end of 2009-2010 and the beginning of 2010-2011 disclosed a questionable pattern. It appears that Fund 9 expenditures were temporarily posted to selected internal funds accounts to conceal the fact that the school had spent more funds than were available in the Fund 9 account, thus preventing the account from showing a deficit. When Fund 9 revenues became available, the expenditures were charged back to the account. Details are as follows:

As of June 30, 2010, Fund 9 expenditures totaling \$12,148 were temporarily reclassified and charged to accounts such as the General Fund-Miscellaneous, the Trust Fund-Special Purpose and the Production Shop-Child Care accounts awaiting a replenishment of funds in the Fund 9 account. After the closing of the year, the school reversed the transactions and charged these expenditures back to Fund 9, once the account had received additional replenishment of funds.

The effect of these transactions was the under reporting of total Fund 9 expenditures incurred during the 2009-2010 fiscal year by \$12,148.⁵ Also, because the school reported these expenditures to the District in August 2011, after the closing of the 2009-2010 fiscal year, they depleted part of the District funds budgeted in 2011-2012 for these types of expenditures.

The Fund 9 guidelines also include lists of allowable expenditures as well as those that are not allowed and define purchasing thresholds. Expenditures not allowed to be purchased with Fund 9 revenues include equipment costing \$1,000 or more. The threshold for a Fund 9 disbursement is \$2,999.99, and split purchases to circumvent this threshold are not allowed.

Regarding these guidelines we found that:

- 3.2. The school purchased a kiln at a cost of \$1,657 and charged it to this account. Furthermore, the equipment had not been tagged for property control purposes. Although the school provided a copy of the Incoming Controlled Equipment form used to report the purchase and request the tagging of the equipment, the form was dated a year ago; and there was no evidence to support that the school had conducted a follow up with the corresponding district office regarding the tagging of the equipment.
- 3.3. In several instances, it appears that disbursements made to the same vendor were split in amounts below the \$2,999.99 threshold. Invoice documentation disclosed consecutive vendor invoice numbers and orders submitted to the vendor very closely dated or on the same date.

Regarding the disbursement of internal funds, regardless of the account being charged, Section II, Chapter 5 of the *Manual* requires that disbursements be made on a timely basis, within 30 days of satisfactory receipt of goods/services, unless special arrangements with the vendor are agreed upon and are made in writing.

- 3.4. We also noted some payments that were not made in a timely manner. According to the school, some delays were due to disputes with the vendor, which would justify some but not all of the delays observed.

⁵ Overall, total expenditures incurred by the school for the 2009-2010 fiscal year were not affected. The under-reporting of expenditures in the Fund 9 account was offset by the over-reporting of expenditures in the school's General Fund-Miscellaneous, Trust Fund-Special Purpose and Production Shop-Child Care accounts.

RECOMMENDATIONS

- 3.1. Immediately discontinue the practice of modifying the posting of Fund 9 transactions in the manner cited above, and the splitting of Fund 9 purchases.
- 3.2. Review the Fund 9 disbursement procedures with staff to ensure awareness and understanding of the requirements and expectations, and the timeliness of disbursements.
- 3.3. Review the list of authorized and unauthorized Fund 9 purchases and instruct staff to only purchase those items allowed by the guidelines.
- 3.4. Monitor Fund 9 balances to prevent overspending.
- 3.5. Follow up with the appropriate department to ensure the tagging of the kiln.

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

Management Response:

The Principal met with the Purchasing Clerk and the Assistant Principal to carefully review and discuss the *Manual of Internal Fund Accounting* Section III, Chapter 9 which delineates the procedures for processing disbursements using Instructional Materials and Supplies (*Fund 9*) revenue.

The Principal met with the Purchasing Clerk and established a schedule on a weekly basis to review the Fund 9 expenditures and to ensure that transactions are properly posted without modifications, expenditures meet the guideline requirements and orders are not split to circumvent the \$2,999.00 threshold.

The Principal established a procedure of receiving weekly reporting of the Fund 9 purchases to make certain the replenishment is being processed once 25% of the balance has been spent. The Principal and the Purchasing Clerk will meet and review expenditures to ensure that Fund 9 balances are maintained accurately to prevent overspending. The Principal and Purchasing Clerk will ensure that disbursements of internal funds are charged in a timely manner or within the 30 days in accordance with Section II, Chapter 5 of the *Manual*.

The Principal will request and review monthly check log in order to prevent disbursements postings from being modified.

The Principal contacted staff in Property Control to schedule the tagging of the kiln.

Person(s) Responsible:

Region III Administration

Management Response:

- The principal was instructed to personally review the postings of Fund 9 transactions.
- The principal was instructed to personally review the disbursements, monitor available balances and ensure compliance with guidelines.
- The principal was instructed to monitor the timely reconciliation of Fund 9.
- The Region III Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to page 38 of this report and 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Coral Gables Senior High School.

**4. Out-Of-County Field Trip
Procedures Not Properly
Followed Or Documented
*John A. Ferguson Senior***

Similar conditions were discussed with school administration in the prior audit.

Section IV, Chapter 1 of the *Manual of Internal Fund Accounting* establishes the policies and procedures over receipts and disbursements generated from field trip activities. Specifically, this chapter states that the financial activity associated with school-sponsored field trips must be accounted for through the internal funds of the school. Consequently, school allied organizations are welcome to make monetary donations to subsidize the cost of field trip activities; however, these organizations may not independently make travel arrangements or pay vendors directly for expenses related to these school-sponsored field trips.

As a follow up to prior year audit results related to the out-of county-field trip activity, we reviewed field trip activities conducted during the 2009-2010 fiscal year. Our review disclosed that the procedures for accounting for field trip revenues and expenditures were not properly followed or documented, as transactions from separate field trips were comingled in the same account without proper identification or use of sub-ledger accounts. We also found one instance in which the financial activity of a school sponsored field trip was not documented in the school records at all. Furthermore, we calculated revenue shortfalls in most of the field trip activities reviewed. According to the school and our review of ancillary documents, these shortfalls may be the result of all students not paying the same admission fee; however, differences were not properly documented in the records. In addition, we found instances where booster clubs made payments directly to the vendor in lieu of submitting funds to the school, thus bypassing the accounting of these trips and compounding some of these differences. Because of these conditions, we further extended our review of out-of-county field trips to the current year, up to December 2010, and noted some of the same discrepancies as follows:

- 4.1. Field trip collections totaling \$34,541 from three different field trips were comingled in one field trip account; and collections from two other field trips totaling \$22,386 were similarly comingled. Sub-ledger accounts were not used to distinguish one activity from another within the same account structure.
- 4.2. Of the five field trips reviewed, we were able to perform estimated revenue analysis on four of them, as the fifth activity was ongoing during our audit visit. Our review disclosed unfavorable differences between potential and actual

revenues ranging from approximately \$700 to almost \$4,000, depending on the activity.

According to the club sponsor, not all students paid the same amount, as some may not have paid at all because of financial hardship; and others received a discount for their participation in booster club sales. Regarding the discount, the school would later collect these monies from the booster club in the form of a donation to the school. However, complete records supporting student participation free-of-charge or at a discounted rate were either not provided or provided after-the-fact for the 2009-2010 activities. For the 2010-2011 activity, after we discussed our concerns with staff and administration, the school provided complete documentation of the current year's student collections, credits and booster club donation, which documented why the school collected less than our estimated amount.

- 4.3. Booster club monies donated to the school during the 2009-2010 fiscal year to offset expenses or assist with the payment of expenses were not always documented in the school accounts. Specifically, a booster club made two payments directly to the vendor totaling \$7,157 to assist the school with the payment of field trip deposits; and later requested a reimbursement from the school from those funds left over in the field trip account after all associated expenses had been paid. As a result, the school issued a reimbursement check for \$1,075 to the booster club, which left a zero balance in the school's field trip account.
- 4.4. In some instances, the amount of the checks and check requisitions related to the field trip expenditures differed from the amounts in the invoice supporting the expenditures.
- 4.5. In February 2010, the school completed and submitted a Field Trip Permission Request Form to the Region for approval. Although no transactions related to this activity were posted to the specific club account, field trip account or any other internal funds accounts, we found corresponding Parent Permission Forms and Field Trip Rosters on file. Pursuant to our inquiries, the Principal indicated that this field trip was fully subsidized by the booster club. Based on the Field Trip Permission Request Form on file at the school, the projected cost of the trip would have been \$10,500.

RECOMMENDATIONS

- 4.1. **Discuss field trip procedures with staff and school allied organizations for awareness and understanding of the requirements related to school sponsored field trips.**

- 4.2. Continue to strengthen accountability over collections and disbursements related to school sponsored activities. Specifically, discuss the use of proper account structures and sub-ledgers with activity sponsors and the Treasurer for understanding and awareness of the requirements and expectations. Stress the importance of the proper use of sub-ledgers to prevent commingling of funds from various activities.**
- 4.3. Refrain from engaging in activity which bypasses the recordkeeping procedures established in the *Manual* such as allowing booster clubs to make direct payments to vendors for school activities accounted for by the school.**

Person(s) Responsible: Principal, Assistant Principal, Activities Director, Treasurer, Club Sponsors, and Allied Organization Officers

Management Response:

In order to ensure that all field trip procedures are adhered to and to strengthen accountability over collections and disbursements related to school sponsored activities as documented in the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting*, the Principal implemented the following corrective actions and preventive strategies.

The Principal has reviewed with all person(s) responsible: the Assistant Principal, Treasurer, Activities Director, Club Sponsors and Allied Organization Officers, the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting* emphasizing, Section IV, Chapter 12 – PTA/Booster Club Activities and School Board Rules: 6Gx13- 3D-1.021 and 6Gx13- 5C-1.061. Specific attention was directed regarding the proper procedures for school sponsored field trips, the prevention of commingling of funds within the same activity account structure, the use of proper account structures, the required supporting documentation for all transactions, the required procedures for payment to vendors and the accurate reflecting of per student cost for participation.

At the Opening of School meetings for 2011 - 2012, the Principal will review with all faculty and staff, the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting*. A separate meeting will be required for any faculty and staff members who serve as a Club Sponsor or plan on participating in field trip and/or fundraising activities. Participation in this meeting will be required for securing the Principal's approval of the aforementioned activities. During this meeting, the Principal will provide a comprehensive, detailed review of the mandated policies and procedures.

In addition, the Ferguson High School Club Sponsor Handbook, outlining specific school site and district procedures, will also be reviewed.

The Principal directed the Assistant Principal, Activities Director and Treasurer to develop a comprehensive accounting checklist to ensure compliance with all field trip and/or fundraising requirements. The checklist for field trips will include the completing of the Field Trip Request Packet, (FM-2431), and if applicable, Application for Fundraising Activity (FM-1018), Recap of Collections, (FM-1004) and Check Requisition/JV Transfer, (FM-0992). The Activities Director will ensure the Field Trip Packet is complete and the supporting documentation is attached prior to submitting to the Assistant Principal for review. The Assistant Principal will review the Field Trip Request Packet (FM-2431) for accuracy prior to submitting to the Principal for final approval. Upon final approval, the Principal will submit the field trip request to the Treasurer for processing. The Principal will be notified immediately by either the Assistant Principal or Treasurer if any discrepancies are identified and the records will be corrected.

The Principal and Assistant Principal will conduct a meeting at the beginning of the year with the Allied Organization Officers to review the *Manual of Internal Fund Accounting*, Section IV, Chapter 12 – PTA/Booster Club Activities. The Principal will direct the Assistant Principal to work closely with Club Sponsors and Allied Organization Officers to ensure compliance with fundraising and booster club procedures and to meet monthly to review accuracy of all transactions. Emphasis will be placed upon prohibiting Allied Organizations from making direct payments to vendors. Compliance with these procedures will be required for securing final approvals of fundraising and booster club activities by the Principal.

The Principal directed the Treasurer and Club Activity Sponsors to strengthen accountability over collections and disbursements related to school sponsored activities by using proper account structures and sub-ledgers as appropriate.

The Principal, Assistant Principal, Activities Director, Treasurer and designated Club Sponsors will meet at the end of each month to review the current internal accounts and field trip documentation in order to ensure compliance and accurate record keeping. In order to prevent the commingling of funds, field trip activities will be properly identified and associated collections will be accounted for in a separate Trust Fund account. A sub-ledger number will be used on the Recap of Collections form to identify each field trip. Any discrepancies identified will be reported to the Principal and corrected immediately. Non-compliance will be addressed by the Principal with the responsible person(s).

Person(s) Responsible:

Region IV Administration

Management Response:

- The Region IV Administrative Director will periodically review field trip records at the school for accuracy and compliance with policies and procedures detailed in the *Manual of Internal Fund Accounting*.
- The Principal was directed to personally review field trip records for accuracy and potential discrepancies to be immediately addressed.
- The Principal will include a job target in the Performance Planning document for the 2011-2012 school year addressing the careful monitoring and implementation of all field trips in accordance with District policies and procedures detailed in the *Manual of Internal Fund Accounting*.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to page 38 of this report and 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of John A. Ferguson Senior High School.

**5. Non-Compliant Receipting
And Disbursement
Procedures Resulted In
Missing Funds And
Improper Disbursements
*Miami Jackson Senior***

According to Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, the Treasurer must issue a receipt to document when monies are received for deposit. Furthermore, pursuant to Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting*, all disbursements must have proper documentation in the form of an original itemized invoice, equivalent documentation provided by the vendor, or an explanation as to the reason for the disbursement.

Based on inquiries of staff and the situation that ensued, it appears that the school was not always following the procedures for receipting monies immediately upon receipt. Our review disclosed that:

- 5.1. Support for a \$1,200 advance payment to the JROTC Club Sponsor could not be provided and we could not trace the return of these funds to any postings made to the internal funds of the school or the bank.

According to the sponsor, the Principal had authorized the \$1,200 advance from the Trust Fund-Special Purpose account to assist with the club's drill meet, which included a catered event where food and refreshments would be sold to parents and students. The advance was required to purchase the food and refreshments for resale. According to the sponsor, subsequent to the completion of the event and sale, he had collected sufficient funds to return the advance and tendered \$1,200 cash to the former Treasurer who according to him, received the funds but did not issue a receipt.

We conducted interviews with the sponsor, the former Treasurer⁶ and school staff who may have witnessed and/or may have had knowledge of this transaction; however, responses were inconclusive as to the whereabouts of the funds.

A second incident of money losses involved the Classes and Clubs--Cheerleaders Account. Prior to the audit visit, the Principal had requested an investigation because of discrepancies with the monies raised by the club:

⁶ The school underwent a change of Treasurer since the prior audit. The conditions cited above happened under the former Treasurer. A new Treasurer has been hired at this school.

- 5.2. According to school and ancillary records maintained by the sponsor, \$5,958 was collected from the students to pay for merchandise associated with cheerleading activities; however, only \$4,137 was posted to the account resulting in a \$1,821 shortfall in the monies received by the school.
- 5.3. Proper receipting procedures were not being followed as monies collected from the students were not always accompanied by a receipt. According to the former Treasurer, she prepared the official receipts after-the-fact, once the sponsor had turned in the monies collected from the students.

Inadequate controls over this activity prevented us from determining the party or parties responsible for the misappropriation.

In the case of incentives and awards purchased for staff and students, *Section IV, Chapter 14 of the Manual* and School Board Rule 6Gx13-3C-1.18 require prior approval of the School Board when the unit price exceeds \$40. We found that:

- 5.4. A disbursement for \$1,182 posted to the Trust Fund-Special Purpose account was documented with an itemized invoice for \$4,432. The items invoiced consisted of 16 Girls' State Championship Track rings with prices ranging from \$258 to \$310 each (six of the rings were men's and ten were women's). Based on the total amount invoiced, \$3,250 was to be paid *directly to the vendor* by a tutoring company associated with the school and the remaining \$1,182 was paid by the school. At our request, the jewelry vendor confirmed that the invoice had been paid in full.

Particularly in those instances where an individual purchase exceeds \$1,000 but is less than \$5,000, at least three telephone quotes must be included as part of the ancillary documentation to show that the lowest quote was selected. In the case of the disbursement cited above:

- 5.5. The disbursement documentation was incomplete as it did not include three telephone quotes (to show that the lowest bid was selected) nor did it include a complimentary signed list indicating the recipients of these rings.

In the case of purchases of gift certificates, *Section IV, Chapter 14 of the Manual* specifies that the types of gift certificates to be purchased from internal funds should be from retail stores offering educational materials/supplies or moderate restaurants. However, we found that:

- 5.6. The school purchased 27 gift cards of \$50 denominations as gifts of appreciation for staff. These consisted of 17 cards from a restaurant chain, while the other ten were Visa gift cards, which are similar to cash. We were

unable to verify their distribution since the school did not maintain a signed complimentary list on file.

RECOMMENDATIONS

- 5.1. Discuss the procedures with all school staff to ensure understanding of the requirements and expectations regarding the receipting and disbursing of funds.**
- 5.2. Direct the Treasurer to immediately issue a receipt whenever funds are being received from staff and students. Similarly, direct sponsors to request a receipt when turning funds over to the Treasurer for deposit and to issue a receipt from the students when receiving funds.**
- 5.3. Prior to approving any expenditure, ensure that the expenditure is not only allowable but comports with the intent of the monies collected/available in the account.**
- 5.4. Obtain quotes and complimentary signed lists as needed to document the disbursement.**
- 5.5. Promptly follow-up the payment of any advances of funds made to clubs and include in the documentation any applicable forms, explanation and terms for returning the funds.**
- 5.6. Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.**
- 5.7. School-sponsored activities should be paid entirely by the school to ensure clear and proper accountability of what is being paid. Consequently, parties interested in assisting with the cost of the activities can do so by making a donation to the school and providing a donation letter indicating the purpose of the donation.**

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

Management Response:

The Principal met with the Treasurer to review the procedures, requirements, and expectations as it relates to receipts and disbursement of funds as stated in Section II Chapter 2, 4, and 5 in the *Manual of Internal Fund Accounting*. The Principal created and implemented a comprehensive action plan to ensure full compliance with the issuing of receipts as funds are collected from students and staff members,

confirming expenditures are allowable and monies are readily available, and assisting with obtaining quotes and complimentary signed lists. Monthly reviews of schools accounts conducted by the Principal will ensure that monies are readily available and that expenditures for these accounts are occurring within the appropriate guidelines.

The Principal, Vice Principal and Treasurer reviewed the expectations and procedures in awarding cost thresholds established by the *Manual of Internal Fund Accounting* and obtaining the necessary approvals for each. The responsible parties will have all sponsored activities paid entirely by the school and proper documentation will be required to ensure a transparent accountability process. As it relates to activities, the Principal and Treasurer will only accept donations with written supportive documentation in the form of an addressed letter.

Person(s) Responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II Chapters 2, 4, and 5 in the *Manual of Internal Fund Accounting* to ensure that procedures are followed as related to proper receipting of funds and disbursement of funds, specifically as it relates to donations. The Education Transformation Office Administrative Director will coordinate quarterly Internal Funds mini-reviews. Results will be examined and any discrepancies reviewed with the Principal and Treasurer.

**6. Non-Compliant Fundraising Activities
Resulted In Discrepancies And
Documentation Errors
*Miami Jackson Senior***

Section IV, Chapters 1 and 2 of the *Manual of Internal Fund Accounting* establish the procedures for conducting field trips and school-sponsored fundraising activities. According to the procedures, these types of activities must be fully accounted for in the school's internal funds and permission to conduct these activities be part of the school files.

Fundraising procedures require that a Student Activity Operating Report [FM-0996] be prepared upon completion of each activity. Pre-numbered tickets reflecting a dollar amount denomination must be used when an admission fee is imposed. Tickets donated by a sponsor must include a letter indicating the number of tickets and related information. Also, monies collected and disbursed in connection with fundraising activities must be processed through the internal funds of the school.

Our review of a representative sample of fundraising activities for the 2009-2010 fiscal year disclosed the following discrepancies⁷:

- 6.1. Some of the Applications for Fundraising Activity and Student Activity Operating Reports reviewed were incomplete, not on file, or contained errors.
- 6.2. Although students paid different prices for the Grad-Nite weekend activities and the Senior Prom offered a reduced admissions fee to members of the Prom Committee, the different prices were not properly documented in the Student Activity Operating Reports.
- 6.3. The school utilized funds donated in the prior year totaling \$1,190 in order to pay expenses associated with the Grad-Nite activities; however, the donation letter did not specify that funds were to be used in this manner. Additionally, a \$600 loan from the General Fund-Miscellaneous account used to cover expenses has not been repaid.
- 6.4. The donation letter documenting the number of admission tickets donated by a sponsor was not on file. It was obtained from the donor at our request.
- 6.5. Pre-numbered admission tickets were not utilized to control the sale of admissions to the Senior Breakfast; instead official receipts were used.

⁷ This school has undergone a change of Activities Director since the prior audit. Refer to footnote no. 6 on page 53 regarding additional changes in staff since the prior audit.

- 6.6. The invoice for the Youth Fair included a cash payment to the vendor of \$504.
- 6.7. A sample of field trips reviewed disclosed that the Field Trip Permission Forms were not on file at the school. Therefore, we could not determine whether proper approvals to conduct these activities had been obtained.

RECOMMENDATIONS

- 6.1. Discuss and reinforce with staff and students the procedures relative to fieldtrips, fundraising, and the accounting for these activities through the internal funds of the school.**
- 6.2. Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports.**
- 6.3. Ensure that Field Trip Permission Forms are prepared and on file at the school.**

Person(s) responsible: **Principal, Vice Principal, Activities Director,
Athletic Director and Treasurer**

Management Response:

The Principal, Vice Principal, Activities Director, Athletic Director and Treasurer to review the procedures related to fundraising activities as stated in Section IV, Chapter 1 and 2 in the *Manual of Internal Fund Accounting* and signed receipt of document. Staff members involved with Fundraising and Student Activity Reports participated in a professional development session that clearly delineated the processes and requirements associated with fundraising activities. The Vice Principal reviewed all corresponding documents on a weekly basis to ensure reports, field trip packets, adjusted prices for activity participation and other documentations are accounted for and properly completed. The Vice Principal discussed any errors with the Principal and is corrected prior to the Principal's signature being obtained. As it related to monetary support for activities, the Principal and Treasurer will only accept donations with written supportive documentation in the form of an addressed letter and ensure that funds are utilized according the specifications outlined.

On a monthly basis, the Vice Principal will review all Student Activity Operating Reports and will review the findings with the Principal. The Principal will ensure all documentation is corrected and addressed any deficiencies in a timely manner. The Principal will randomly monitor this process and review documents to ensure ongoing compliance.

Person(s) responsible:

ETO Administration

Management Response:

The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section IV, Chapter 1 and 2 in the Manual of Internal Fund Accounting and develop a systematic plan to follow regarding fundraising and field trips. The plan specifically includes implementation procedures to follow for fundraising activities and the utilization of a Field Trip Checklist Form developed by the Education Transformation Office to ensure proper completion of documents. The Education Transformation Office Administrative Director will coordinate quarterly school-site mini-reviews to randomly review documents.

PAYROLL

7. Inadequate Recordkeeping, Documenting, And Reporting Of Payroll *Booker T. Washington Senior*

Payroll issues were cited in the prior audit report, under the tenure of the former Principal⁸. Although payroll conditions regarding the recording of daily payroll have been corrected, other conditions regarding the condition of hourly payroll require attention of the present school administration.

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

At this school, an administrator other than the Principal is assigned to supervise and approve the payroll. We reviewed three payrolls, one processed in October 2010 under the tenure of the former administration and two processed in January 2011, under the new. We noted the following discrepancies:

- 7.1. In all three payrolls reviewed, the cafeteria manager was signing the time in/out on behalf of hourly cafeteria employees. In one of the most recent payrolls reviewed, the Principal's secretary was signing the time in/out on behalf of hourly teachers. Subsequent to our discussion with the Principal, the cafeteria manager is no longer allowed to sign on behalf of others. Also according to the Principal, the matter of the secretary signing on behalf of others was isolated to the first weeks of January, when the school was hiring staff for Saturday classes and the corresponding sign in rosters were being manually updated.
- 7.2. *Most of these discrepancies occurred during the tenure of the former administration.* There were some instances when temporary substitutes were hired, the name of the absent teacher being substituted for was not indicated on the Input Detail Report and a memorandum of explanation was not on file. Additionally, the Temporary Instructor's Daily Payroll Attendance Sheets [FM-

⁸ Change of Principal effective November 15, 2010. Refer to bottom of page 25 of this report.

7090] were incomplete in that the information regarding the account for charging the substitute payroll was not consistently documented.

- 7.3. We also found discrepancies with the hourly payroll, most of which resulted from hourly staff not officially hired in the system but allowed to work. According to the school, this happened because of processing delays in the *Systems, Applications and Products in Data Processing* (SAP) hiring system. Consequently, some of the hourly staff was not being paid in a timely manner. In other instances, payroll discrepancies consisting of errors in the calculation of hours worked and reported were corrected at our request.

RECOMMENDATIONS

- 7.1. **Review with staff and administration the sign-in in/out payroll procedures and the proper documentation of payroll hours, especially part-time employees.**
- 7.2. **New employees should not report to work until the employee has been fully approved and set up in the system to work at the location.**
- 7.3. **Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

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

Management Response:

As a newly assigned principal, in order to ensure proper procedures are followed the principal met with the Payroll Clerk, Back-Up Payroll Clerk and Vice Principal to review the Payroll Processing Procedures Manual and Payroll Highlights to establish sound system for documenting, recording, and reporting the payroll.

Additionally, the Principal met with the Cafeteria Manager and reviewed the proper sign-in in/out procedures emphasizing employees would sign-in in/out in their own hand writing. During the meeting, payroll reporting procedures were provided in writing and a signature of acknowledgement form from the Cafeteria Manager was obtained and on file. The Principal has re-located the sign-in sheet to the Main Office area and are periodically reviewing for compliance.

The Principal will ensure that all new employees will not work until proper clearance has been established. The Principal will monitor SAP for employee clearance. The SAP system was in its infancy stage earlier in the year and staff did acknowledge that there were some complications in completely understanding the system. The Principal assured that staff acquired additional training in SAP system. The Principal

and Vice Principal established a system to ensure that hiring of personnel is completed prior to their initial day of work.

The Payroll Clerk and the Vice Principal verifies on a daily basis that employees present for the day have indicated presence and the appropriate codes have been inserted (e.g., S – Sick, P- Personal) for individuals not present for the day. The Payroll Clerk completes the corresponding Leave Cards on a daily basis and the Vice Principal verifies the accuracy of the information. The Vice Principal monitors the acquisition of the signature from the appropriate staff members. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The Vice Principal will review the Working Roster and outline any discrepancies with the Principal. Prior to the on-line approval of the payroll, the Principal will review the Final Roster and all corresponding documents for final completion and accuracy.

Going forward, as a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty and staff. Emphasis will be placed on special payroll procedures for all personnel. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be acquired and maintained on file.

Responsible Person(s):

ETO Administration

Management Response:

The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the *Payroll Processing Procedures Manual* and Payroll Highlights.

The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Assistant Principal and Payroll Clerk.

TITLE I PROGRAM EXPENDITURE AND PROCEDURES

8. Job Duties Of The Reading Coach Not In Compliance With Title I Reading Coach Requirements *Miami Senior*

The *Title I Administration Handbook* delineates the education support and job description of the school's Reading Coach. According to the job description, Reading Coaches are vested with the responsibility of directing instructional services in reading/language arts to students and providing technical assistance to teachers implementing the reading program at the school. The Reading Coach must maintain adequate documentation of professional development activities as evidence of the assistance provided to teachers. A majority of their time is to be spent conducting professional development at the school.

A Reading Coach Compact is a written agreement between the School, the Region, the District and the Reading Coach that is utilized to build the capacity of the Reading Coach. This form is completed and signed by all parties involved and maintained at the school. The Compact defines the responsibilities and tasks of the reading coach in relation to professional development, coaching and conferencing, student assessment, managing reading materials, and similar related activities. In addition to these responsibilities, Reading Coaches paid with Title I funds must act as liaisons for professional development activities in the areas of Mathematics, Science and Reading.

During the 2009-2010 and 2010-2011 fiscal years up to May 2011, the school had two Reading Coaches paid from Title I program accounts. Our review disclosed that, contrary to the guidelines in the *Handbook* regarding work assignments and supplements, one of the Reading Coaches had a full class schedule and received an extra-period teaching supplement. This supplement is not allowed according to the guidelines. Furthermore, professional development agendas provided by the school reflect only one of the two Reading Coaches as the one presenting the training material to the staff.

According to the school administration, both Reading Coaches were involved in providing professional development at the school. Also according to the Principal, the schedule of the Reading Coach in question is flexible enough to allow him to fulfill the job requirements.

RECOMMENDATION

8. **Reassess the work schedule of the Reading Coach to ensure compliance with the requirements of the job.**

Person(s) responsible: **Principal, Assistant Principal and Student Services Chairperson**

Management Response:

The Principal met with the Assistant Principal for Curriculum and Student Services Chairperson to review the audit finding and the Title I Administration Handbook which delineates the education support and job description of the school's Reading Coach. The Principal instructed the Assistant Principal for Curriculum to ensure compliance with the rules, regulations and requirements under the Title I Administration Handbook. The Reading Coach will not be assigned a class schedule or an unauthorized supplement and this will be monitored through the review of the master schedule and the ETPS⁹ report.

To ensure further compliance the Principal will review the master schedule to monitor the proper assigning of courses, schedules and compliance with Title I procedures.

Person(s) responsible: **Region III Administration**

Management Response:

- The principal was instructed to personally review and monitor the master schedule, the issuance of supplements and compliance with Title I procedures.
- The Region III Administrative Director will monitor compliance of all Title I procedures by conducting site visits to verify.

Person(s) Responsible: **District/School Operations**

Management Response:

Refer to page 38 of this report and 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the school finding of Miami Senior High School.

⁹ Extra Teaching Period Supplement Report.

FTE RECORDS AND PROCEDURES

9. Discrepancies In Special Education (SPED) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances *Nautilus Middle*

Section D of the *Local Education Agency (LEA) Implementation Guide* requires that all current forms be filed in the students' cumulative folders. Furthermore, the *Matrix of Services Handbook 2004 Revised Edition* issued by the Florida Department of Education establishes the guidelines and procedures to initiate and update a *Matrix*.

The Matrix of Services form [FM-5582] (referred to as a *Matrix*) is used to determine the cost factor for special education students. The cost factor calculation in the *Matrix* is based on the decisions made by the Individual Education Plan Committee, which are documented on the Individual Education Plan (IEP) [FM-4953]. According to the guidelines, *if services do not change as a result of an IEP meeting and the Matrix is less than three years old, the existing Matrix may be reviewed. If services change, a new Matrix must be completed.*

Similarly, decisions made by the Committee for Gifted Students are documented in the Gifted Educational Plan (EP) [FM-6329] maintained in the folder. In the case of EPs, they require similar review and update.

Our review of a sample of 42 exceptional education student folders, which included 18 Gifted student folders, identified errors and omissions in 26 student folders (62%). Four of the 26 folders corresponded to students funded under ESE Support Level 4, Full-Time Equivalent (FTE) Line # 254¹⁰. *At this school, they represented 100% of the student population reported at this level for the survey period under review.*

Our review determined that the documentation discrepancies identified in all four ESE Support Level 4 student folders could have potentially generated a funding disallowance to the District of \$18,481. Details are as follows:

- 9.1. In two instances, the program eligibility did not agree between the IEP and its corresponding *Matrix*. Also, one other instance disclosed that the student did not have a new *Matrix* on file, and the existing *Matrix* did not show a review date to indicate that services had not changed for this student. All three of

¹⁰ Student services categorized at ESE Level 4 and reported to the Department of Education in FTE report line # 254 represent an individual cost factor of 3.523 times the value of un-weighted FTE for Miami-Dade County (\$3,662.53) per survey period.

these students were serviced for Language Therapy and service was not indicated in the Integrated Student Information System (ISIS) or in the Department of Education Correction System (DECO). A DECO amendment was submitted to Attendance Services at the auditors' request. Also, for one other student who was 14-years old at the time of the IEP conference, there was no evidence on file to show that the student had been invited to attend the IEP meeting.

- 9.2. We identified similar FTE-related errors and omissions in the folders of 22 other students. However, although their corresponding funding levels were not negatively impacted (because these students were reported at the basic funding level), the discrepancies represent lapses in compliance with District policy which require management's immediate attention.

RECOMMENDATIONS

- 9.1. **Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. *Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255.***
- 9.2. **Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

Person(s) Responsible:

**Principal, Assistant Principal,
SPED Chair Person(s) and Registrar**

Management Response:

- The principal, assistant principal, SPED co-chairpersons and registrar will review the requirements outlined in the *Local Education Agency (LEA) Implementation Guide*, and the *Matrix of Services Handbook* to ensure strict adherence to the established procedures for the maintenance of SPED folders especially documents relevant to FTE funding.
- The principal will meet with the assistant principal, SPED co-chairpersons and registrar and direct a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper IEP/EP documentation, and ensure that appropriate services are provided as delineated on the Region Center II Check List.
- The principal will establish a procedure to conduct quarterly mini-reviews of SPED cumulative folders, using FM 7069 for SPED and Gifted FTE Pre-Audit

checklist, to ensure compliance with all established requirements. Additional emphasis will be placed on ensuring accurate entering of information into ISIS.

- The principal will request additional support from the Region and District SPED personnel to bi-annually review samples of school site SPED and Gifted cumulative folders. Results will be reviewed for any discrepancies which will be corrected by the assistant principal, SPED co-chairpersons and the registrar prior to any scheduled audit reviews.
- The principal will instruct the SPED co-chairpersons to provide training to all SPED teachers in relation to maintaining student folders with current IEPs, EPs, and Matrix of Service forms. This will take place at the opening of schools meeting and periodically as needed throughout the year.

Person(s) Responsible:

Region II Administration

Management Response:

- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.
- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.
- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to page 38 of this report and 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the FTE-SPED school finding of Nautilus Middle School.

**10. Discrepancies In English Language Learners' (ELL) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances
*Nautilus Middle***

For the 2010-2011 school year, guidelines and procedures for maintaining ELL student information were provided through the 2010-2011 Opening of School Year Information and Reminders, the Division of Bilingual Education and World Languages memoranda, the *District LEP Plan* and *Procedures Manual 2005*.

According to the guidelines, parents/guardians must be notified each school year of their child's participation or any programmatic change in the ESOL program. Copies of the Notice to Parents/Guardians of Limited English Proficient (LEP) Students [FM-6577] and Home Language Surveys [FM-5196] must also be properly completed and are to be filed in the ESOL Program Record folder. In addition, all sections of the Individual ELL/LEP Student Plan [FM-4650] must be appropriately initiated and/or updated in a timely manner and maintained in the student cumulative folder. For the 2010-2011 fiscal year, a Web-based ELL/LEP Plan (WLEP) must be completed for *all* ELL students.

In those instances where a student has been enrolled over six semesters in the ESOL program, the student folder must hold evidence that the LEP committee convened to assess progress after each semester. At the present time, Florida uses the Comprehensive English Language Learning Assessment (CELLA) to measure the progress of English Language Learner (ELL) students who are working toward the attainment of English proficiency. Each student who takes the CELLA will receive a student score report containing the results of his/her performance on the test. The CELLA test score report must be included in the LEP folder. For secondary schools, a student schedule printed from the Integrated Student Information System (ISIS) database for the current school year must be included in the folder and must be dated prior to FTE week.

A review of a sample of 10 ELL student folders disclosed the following discrepancies in all 10 student folders (100% of the sample). FTE reports listed a total of 80 ELL students at this school. Pursuant to our potential loss calculations, the discrepancies enumerated below could have resulted in FTE funding disallowances of approximately \$2,630 to the District. Details follow:

- 10.1. Two Home Language Surveys were not evident. In addition, another Home Language Survey was not properly completed. At the time of the audit, the

school maintained temporary cumulative folders for two of these students, as they had entered this school from another school in August 2010, and it appears that their original cumulative folders were pending receipt.

- 10.2. In four instances, the June 2010 CELLA test reports of students who had transferred from other schools in August 2010 were not evident.
- 10.3. Six individual ELL/LEP Student Plans were not properly completed. Specifically, the Program Participation section was not completed, or was not signed/dated by the teacher.
- 10.4. In five instances, a print-out of the student schedule on file was dated *after* the FTE survey period.
- 10.5. One Notice to Parents/Guardians of Limited English Proficient (LEP) Students had the incorrect date, while one ELL/LEP Committee Meeting was documented with only one professional signature.

RECOMMENDATIONS

- 10.1. To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 10.2. Timely follow-up requests for cumulative folders and missing folder documentation of ELL students who have transferred to the school from other schools, and promptly notify school administration of such discrepancies to ensure their timely resolution.**

Person(s) Responsible:

**Principal, Assistant Principal,
ELL Chair Person and Registrar**

Management Response:

- The principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The principal, assistant principal, and department chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice to Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).

- The principal will meet with the assistant principal, ELL chairperson, and registrar and direct a review of all incoming and existing ELL cumulative student records for CELLA test reports, required signatures, dates, accuracy of data input, proper LEP documentation, and ensure that proper services are provided as delineated on the Region Center II Check List.
- All ELL program record folders for LEP students will be monitored and reviewed specifically for accurate information regarding program participation dates and signatures. Folders will be reviewed at the beginning of every school year by the assistant principal and ELL chairperson and subsequently on a quarterly basis.
- During each FTE reporting period (October and February), the ELL chairperson will print each student schedule from the Integrated Student Information System (ISIS) database indicating the date and time each schedule was printed.
- The principal will ensure, by the end of each FTE period, that the assistant principal monitors each ELL folder for a copy of the student's current schedule. The principal will conduct a random review of students' printed schedules for compliance purposes.
- The principal will meet with the assistant principal to ensure that the ELL chairperson will utilize the WLEP format for completing individual LEP student plans. The registrar will monitor ELL program folders for incoming students for WLEP format.
- The assistant principal and ELL department chairperson will ensure that the Notice to Parents/Guardians of LEP students (FM-6577) notices are completed with principal's signature, duplicate copies of both pages with the copy placed in the ELL folder and the original disseminated. The principal will complete a random review of completed forms (FM-6577) for compliance.

Responsible Person(s):

Region II Administration

Management Response:

- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and ELL folders are carefully reviewed for compliance upon entry.
- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ESOL program.

- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.

Person(s) Responsible:

District/School Operations

Management Response:

Refer to page 38 of this report and 105 in the report's Appendix section for District/School Operations' comprehensive response addressing the recommendations to the FTE-ELL school finding of Nautilus Middle School.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our audits were to:

- express an opinion on the internal fund financial statements of the schools for the fiscal year ended June 30, 2010, on the cash basis of accounting;
- evaluate compliance by the schools with the policies and procedures prescribed in the *Manual of Internal Fund Accounting*;
- provide assurances regarding compliance with *current payroll procedures*, as well as compliance with *current purchasing credit card program procedures*; and *certain information technology controls*;
- verify compliance by the schools with the policies and procedures prescribed by the *Manual of Property Control Procedures*, and determine the adequacy of controls over the safeguarding of property items with an individual cost of \$1,000 or more;
- evaluate compliance with the policies and procedures set forth by the *No Child Left Behind Act of 2001, Title I Program*, and the *Title I Administration Handbook*; and
- ascertain compliance with State law, State Board of Education Rules, School Board Rules, manuals, directives and FTE reporting documentation procedures as they relate to student attendance, Special Education, English Language Learners, Cooperative Education and Teacher Certification.
- determine effectiveness of controls over cashiering activity at the school's cafeteria and the safeguarding of cafeteria collections in compliance with procedures from the Department of Food and Nutrition.

While the scope of our audits generally covered operations during the period of July 1, 2009 through June 30, 2010, payroll, purchasing credit card transactions, information technology controls and school cafeteria's cashiering/deposit activity included current periods. FTE audits covered the February 2011 survey period.

Our procedures were as follows:

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

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

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

Internal Control Matters

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

BACKGROUND

INTERNAL FUNDS

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

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

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

Prior to spending internal funds, schools invest their cash in designated depositories. Funds not used in the daily operations may be invested in the MDCPS-Money Market Pool Fund. The Fund's interest rate as of June 30, 2010 was 0.76%.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087.
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process.
- ◆ Each school administers their 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, 2010 the MDCPS-Money Market Pool Fund's interest rate was 0.76%.

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.

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

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

PROPERTY

At MDCPS, 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.

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

PURCHASING CREDIT CARD (P-CARD) PROGRAM

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

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

TITLE I PROGRAM

Schools 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 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 in rank order. The cut-off point for eligibility is based on the Title I allocation received from the State and other program components.

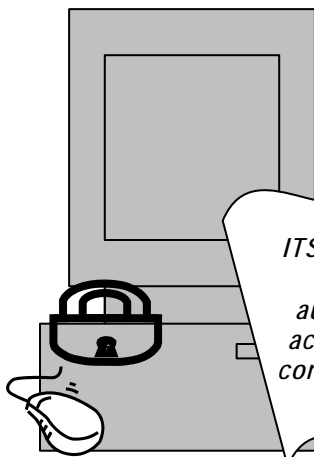


Schools follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-card Program, depending on the amount. Salary expenditures must comply with budgetary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

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

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

DATA SECURITY MANAGEMENT REPORT AND SCHOOL SITE IT SECURITY ASSESSMENT



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. In addition, our school audits will selectively review information technology matters related to the proper safeguarding and location of servers and switches, software licensing documentation, proper authorization of Electronic Gradebook applications, and similar controls over data security.

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. These audits are conducted every three years.

Schools are responsible for verifying student membership data submitted to the Florida Department of Education (FDOE) for funding purposes. This is accomplished through the FTE survey process. The results of these surveys are FTE reports which allow schools to verify the data and make corrections as needed. Once this process is completed, the district transmits the information to the FDOE. During the 2010-2011 fiscal year, months selected by the FDOE for these surveys are as follows:

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

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

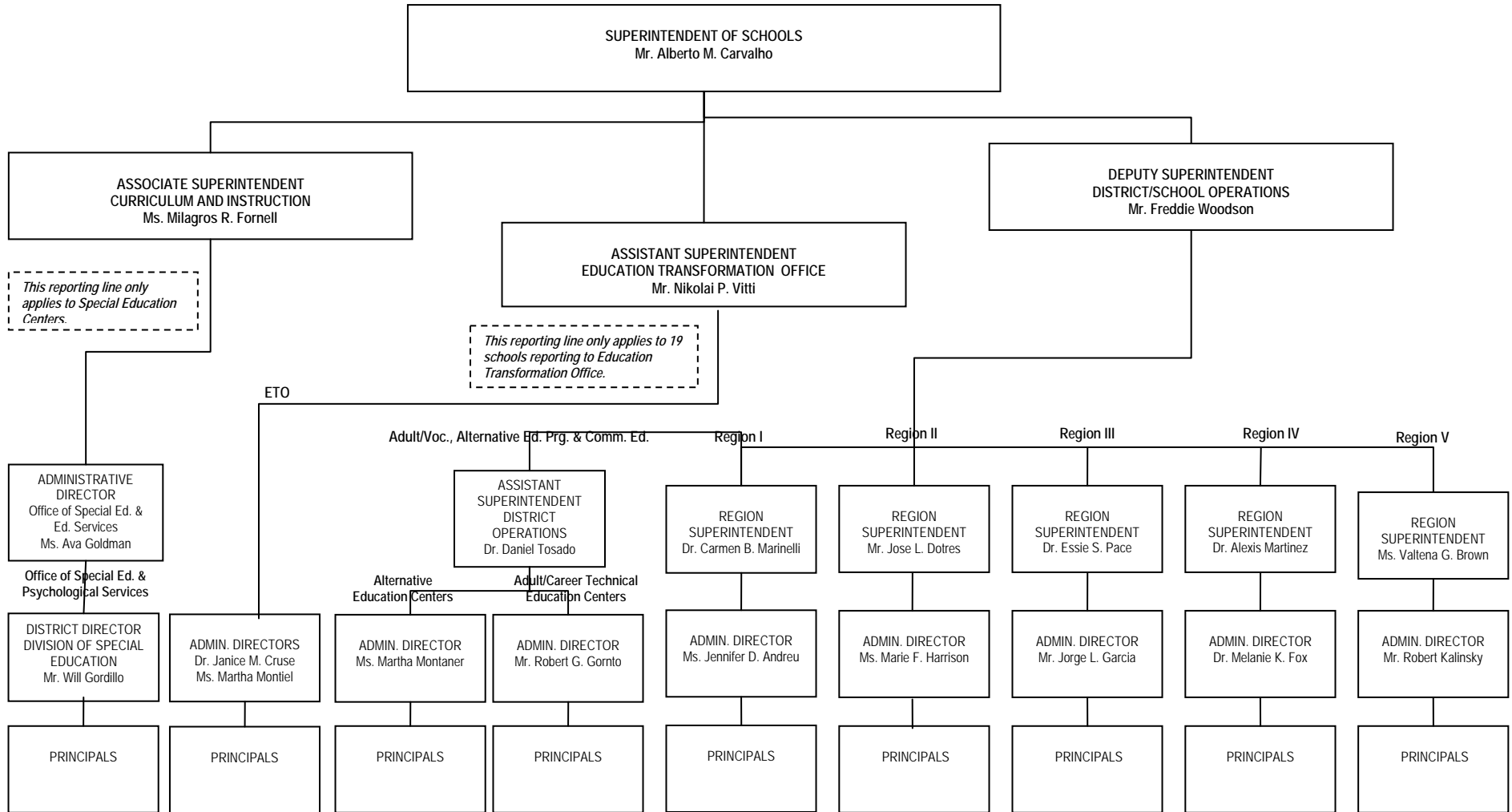
Incomplete/inaccurate student records which do not adequately support/justify funding levels may give rise to losses in funding. Similarly, teacher certification is closely linked to FTE funding and must be monitored on an ongoing basis to prevent similar losses in funding to the District. Aside from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

As of the 2007-08 fiscal year, FTE audits have been incorporated as part of the school audits routinely performed by the Office of Management and Compliance Audits. FTE audits are conducted at selected schools based on audit criteria developed by this office.

FOOD SERVICE PROGRAM

The School Board of Miami-Dade County's Department of Food and Nutrition (F&N) operates the centralized food service program at K-12 schools and centers. The *Food and Nutrition Procedures* comprises the official guidelines under which school cafeterias operate. According to these guidelines, staff working at school cafeterias operates cash registers which must be closed daily. A deposit representing the total daily cafeteria collections must be prepared and submitted daily by the Cafeteria Manager to the main office for pick-up by the armored car service. The deposits are made to a centralized bank account established by the District; and a Food Service Accounting Unit has been established in the Office of the Controller to maintain the centralized records and reports, and reconcile the centralized bank account.

ORGANIZATIONAL CHART



**APPENDIX
MANAGEMENT'S RESPONSES**

MEMORANDUM

June 10, 2011

TO: Mr. Jose L. Dotres, Region Superintendent
Region Center II

FROM: Mark Soffian, Principal
Lake Stevens Middle School



SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF LAKE STEVENS MIDDLE SCHOOL - 6351

The following is submitted in response to the Internal Audit Report of Lake Stevens Middle School for school year 2009-2010.

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

FINDINGS

1. Bookkeeping Function Not compliant With Procedures.

RECOMMENDATIONS

- 1.1 Discontinue the issuance of partially completed checks.
- 1.2 Strengthen the review of the disbursement function with staff to ensure awareness and understanding of the procedures, specifically those related to Fund 9 disbursements and the issuance of refunds.
- 1.3 Enforce proper utilization of the Collections/Deposits Log form (FM-7249) and periodically review to ensure it is properly utilized.
- 1.4 Ensure that the school properly inventories all official forms and that the administration carefully reviews the inventory prior to filing.

Person(s) Responsible:

Principal and Treasurer

Management Response:

The principal met with the treasurer to review procedures outlined in Section II, Chapter 5 of the *Manual of Internal Fund Accounting* related to bookkeeping, supporting documentation and reporting procedures for disbursing funds. At the end of each month the principal and treasurer will meet to review, discuss and verify that activity reports and information are accurate and timely. The principal will direct the treasurer to discontinue the issuance of

partially completed checks. The principal will monitor the monthly bank checks and statements to ensure the checks are issued correctly and completely to a specific person, company or organization. The principal will only sign checks that are completed with date, vendor, dollar amount, and corresponding purchase order.

The principal reviewed with the treasurer the refund procedure to students in the amount over \$25. The principal will monitor each month any refund that equals or exceeds \$25 and will ensure that the procedure is processed appropriately via check and addressed to the individual person.

The principal reviewed with the treasurer the procedures for making individual purchases charged to the Instructional Materials and Supplies (Fund 9) as indicated in Section III, Chapters 9 of the Manual of Internal Fund Accounting. The principal instructed the treasurer and assistant principal that all disbursements charged to the Fund 9 account are limited to \$2,999 and splitting purchases to circumvent this threshold is prohibited. The principal reviewed with the treasurer the Fund 9 procedures of allowable expenditures and expenditures not allowed to be purchased to support the instructional program (Section III, Chapter 9). Additionally, the principal will personally review all purchases and disbursements for proper documentation and ensure that appropriate procedures are followed.

The principal reviewed with the treasurer, assistant principal and secretary (back-up to treasurer) the *Office of the Controller's Policies and Procedures for Safeguarding Funds at the Schools* that was published via Weekly Briefing #5164, dated November 6, 2008, to address the safeguarding of deposits at schools. The principal will review and monitor weekly the Collections/Deposits Log, (FM-7249) for appropriate signatures when monies are safeguarded in the vault overnight. Furthermore, the principal will review with the treasurer, assistant principal and secretary Section V, chapters 1 and 2 of the Manual of Internal Fund Accounting to ensure an accurate inventory of official forms be prepared at the end of the fiscal year and that all official records are retained for audit.

The district's Business Manager will provide additional training to the Treasurer in the area of bookkeeping functions, specifically covering disbursing funds, documenting the disbursements, Fund 9 purchases and preparing and completing the following report: Collections/Deposits Log (FM-7249).

Ongoing and periodic training will be requested for treasurer, school sponsors, and principal's designee to provide opportunities for support, growth and improvement.

Please be assured Lake Stevens Middle School is committed to 100 percent compliance with the established procedures outlined in the Manual of Internal Fund Accounting. Thank you for your attention to this important matter.

cc: Dr. Daniel Tosado
Ms. Marie Harrison
Ms. Cynthia Gracia

MEMORANDUM

June 13, 2011

TO: Mr. Jose L. Dotres, Region Superintendent
Region Center II

FROM: Allyn G. Bernstein, Principal 
Nautilus Middle School

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT OF NAUTILUS MIDDLE SCHOOL

The following is a response to the findings reported in the Nautilus Middle School Audit Report for the 2009 – 2010 Fiscal Year. The audit findings have been carefully reviewed by the principal and, as a result, the principal has implemented the following corrective actions to prevent the recurrence of similar issues. This will ensure that strict compliance is maintained in relation to School Board policies and procedures.

FINDINGS

- 1. Discrepancies in Special Education (SPED) Student Records Resulted in Potential Full-Time Equivalent (FTE) Funding Disallowances**

RECOMMENDATIONS

- 1.1 Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255.**
- 1.2 Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**

Person(s) Responsible: Principal, Assistant Principal, SPED Chair Person(s), Registrar

Management Response:

- The principal, assistant principal, SPED co-chairpersons and registrar will review the requirements outlined in the *Local Education Agency (LEA) Implementation Guide*, and the *Matrix of Services Handbook* to ensure strict adherence to the established procedures for the maintenance of SPED folders especially documents relevant to FTE funding.
- The principal will meet with the assistant principal, SPED co-chairpersons and registrar and direct a review of all incoming and existing SPED cumulative student records for required signatures, dates, accuracy of matrix input, proper

IEP/EP documentation, and ensure that appropriate services are provided as delineated on the Region Center II Check List.

- The principal will establish a procedure to conduct quarterly mini-reviews of SPED cumulative folders, using FM 7069 for SPED and Gifted FTE Pre-Audit checklist, to ensure compliance with all established requirements. Additional emphasis will be placed on ensuring accurate entering of information into ISIS.
- The principal will request additional support from the Region and District SPED personnel to bi-annually review samples of school site SPED and Gifted cumulative folders. Results will be reviewed for any discrepancies which will be corrected by the assistant principal, SPED co-chairpersons and the registrar prior to any scheduled audit reviews.
- The principal will instruct the SPED co-chairpersons to provide training to all SPED teachers in relation to maintaining student folders with current IEPs, EPs, and Matrix of Service forms. This will take place at the opening of schools meeting and periodically as needed throughout the year.

FINDINGS

2. **Discrepancies in English Language Learners' (ELL) Student Records Resulted in Potential Full-Time Equivalent (FTE) Funding Disallowances**

RECOMMENDATIONS

- 2.1 **To reduce the probability of potential losses in funding and other non-compliance issues regarding ESOL criteria, ESOL staff and administration should review ESOL Program Record Folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS.**
- 2.2 **Timely follow-up requests for cumulative folders and missing folder documentation of ELL students who have transferred to the school from other schools, and promptly notify school administration of such discrepancies to ensure their timely resolution.**

Person(s) Responsible: Principal, Assistant Principal, ELL Chair Person, Registrar

Management Response:

- The principal will review with all staff responsible, the District LEP Plan and Procedures Manual and all documentation provided by the Division of Bilingual Education and World Languages. The principal, assistant principal, and department chairperson will monitor the proper completion of all documents in the Limited English Proficient (LEP) folder. This will include the Notice to Parents of LEP Students (FM-6577), Home Language Survey (FM-5196), and the individual ELL/LEP plans (FM-4650).
- The principal will meet with the assistant principal, ELL chairperson, and registrar and direct a review of all incoming and existing ELL cumulative student records

for CELLA test reports, required signatures, dates, accuracy of data input, proper LEP documentation, and ensure that proper services are provided as delineated on the Region Center II Check List.

- All ELL program record folders for LEP students will be monitored and reviewed specifically for accurate information regarding program participation dates and signatures. Folders will be reviewed at the beginning of every school year by the assistant principal and ELL chairperson and subsequently on a quarterly basis.
- During each FTE reporting period (October and February), the ELL chairperson will print each student schedule from the Integrated Student Information System (ISIS) database indicating the date and time each schedule was printed.
- The principal will ensure, by the end of each FTE period, that the assistant principal monitors each ELL folder for a copy of the student's current schedule. The principal will conduct a random review of students' printed schedules for compliance purposes.
- The principal will meet with the assistant principal to ensure that the ELL chairperson will utilize the WLEP format for completing individual LEP student plans. The registrar will monitor ELL program folders for incoming students for WLEP format.
- The assistant principal and ELL department chairperson will ensure that the Notice to Parents/Guardians of LEP students (FM-6577) notices are completed with principal's signature, duplicate copies of both pages with the copy placed in the ELL folder and the original disseminated. The principal will complete a random review of completed forms (FM-6577) for compliance.

Should you have any questions or concerns, please do not hesitate to contact me.


AB:ab

cc: Mr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Marie F. Harrison

MEMORANDUM

June 10, 2011

TO: Dr. Essie S. Pace, Region Superintendent
Region III

FROM: Adolfo L. Costa, Principal 
Coral Gables Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT
OF CORAL GABLES SENIOR HIGH SCHOOL**

The Principal has thoroughly reviewed the audit findings cited in the Internal Funds Audit report for the 2009-2010 fiscal year. As a result, the Principal established an action plan comprised of explicit strategies that will be implemented in order to prevent recurrence.

**Inadequate Controls Over Instructional Materials And Supplies (Fund 9)
Disbursements**

- 1.1 Immediately discontinue the practice of modifying the posting of Fund 9 transactions in the manner cited above, and the splitting of Fund 9 purchases.
- 1.2 Review the Fund 9 disbursement procedures with staff to ensure awareness and understanding of the requirements and expectations, and the timeliness of disbursements.
- 1.3 Review the list of authorized and unauthorized Fund 9 purchases and instruct staff to only purchase those items allowed by the guidelines.
- 1.4 Monitor Fund 9 balances to prevent overspending.
- 1.5 Follow up with the appropriate department to ensure the tagging of the kiln.

Person(s) responsible: Principal, Assistant Principal and Purchasing Clerk

Management Response:

The Principal met with the Purchasing Clerk and the Assistant Principal to carefully review and discuss the *Manual of Internal Funds Accounting* Section III, Chapter 9 which delineates the procedures for processing disbursements using Instructional Materials and Supplies (*Fund 9*) revenue.

The Principal met with the Purchasing Clerk and established a schedule on a weekly basis to review the Fund 9 expenditures and to ensure that transactions are properly posted without modifications, expenditures meet the guideline requirements and orders are not split to circumvent the \$2,999.00 threshold.

The Principal established a procedure of receiving weekly reporting of the Fund 9 purchases to make certain the replenishment is being processed once 25% of the balance has been spent. The Principal and the Purchasing Clerk will meet and review expenditures to ensure that Fund 9 balances are maintained accurately to prevent overspending. The Principal and Purchasing Clerk will ensure that disbursements of internal funds are charged in a timely manner or within the 30 days in accordance with Section II, Chapter 5 of the *Manual*.

The Principal will request and review monthly check log in order to prevent disbursements postings from being modified.

The Principal contacted staff in Property Control to schedule the tagging of the kiln.

cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia

MEMORANDUM

June 10th, 2011

TO: Dr. Essie S. Pace, Region Superintendent
Region III

FROM: Benny Valdes, Principal *BV-MM*
Miami Senior High School

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

The cited audit findings for the period of July 1, 2009 - June 30, 2010 have been carefully reviewed by the Principal. As a result, the principal established an action plan comprised of delimitative strategies to implement in order to prevent recurrence.

1. **Reassess the work schedule of the Reading Coach to ensure compliance with the requirements of the job.**

Persons(s) Responsible: Principal, Assistant Principal, Student Services Chairperson

Management Response:

The Principal met with the Assistant Principal for Curriculum and Student Services Chairperson to review the audit finding and the Title I Administration Handbook which delineates the education support and job description of the school's Reading Coach. The Principal instructed the Assistant Principal for Curriculum to ensure compliance with the rules, regulations and requirements under the Title I Administration Handbook. The Reading Coach will not be assigned a class schedule or an unauthorized supplement and this will be monitored through the review of the master schedule and the ETPS report.

To ensure further compliance the Principal will review the master schedule to monitor the proper assigning of courses, schedules and compliance with Title I procedures.

Plant Security Report

The school site as indicated by the various Plant Security Reports has had multiple break-ins and incidents with missing property. Many of these may be attributed to the open layout of the facility with numerous points of entry, the availability of security personnel and cameras to detect trespassers. Additionally, the capital construction renovation project of the school has further compromised the school's security system. Once the site has occupancy of the new facility, there is secure storage for equipment which will minimize the recurrence of this situation.

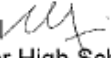
BV/ar

cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia

MEMORANDUM

June 15, 2011

TO: Dr. Alexis L. Martinez, Region Superintendent
Region IV

FROM: Manuel S. Garcia, Principal 
G. Holmes Braddock Senior High School

**SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT
OF G. HOLMES BRADDOCK SENIOR HIGH SCHOOL**

The following is in response to the relevant findings in the school audit report for G. Holmes Braddock Senior High School.

RECOMMENDATIONS

- 1.1 Discuss the procedures for conducting fundraising activities with sponsors to ensure awareness and understanding of the expectations.
- 1.2 Strengthen controls over the accounting of merchandise for resale to students and ensure that activity sponsors maintain an accurate inventory of unsold merchandise, especially when it relates to continuous activities.
- 1.3 Require periodic reconciliations of continuous merchandising activities and carry over inventories to identify possible discrepancies and resolve them in a timely manner.
- 1.4 Ensure that the merchandise is properly safeguarded from loss.
- 1.5 Periodically assess fundraisers to ensure that the financial need for holding such activities is warranted.

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

Management Response

In order to ensure that responsible staff members have the required awareness and understanding of adequate controls over the sale and inventory of items the Principal implemented the following corrective actions and preventative strategies with regard to fundraising activities and the sale of merchandise at the school.

The Principal met with the Assistant Principal, Treasurer, Activities Director and all Club Sponsors prior to the end of the 2010-2011 school year. The Treasurer provided written information regarding proper fundraising procedures, sales tax policies and the *Manual of Internal Fund Accounting* with specific focus on School Board Rules 6Gx13-3D-1.021 and 6Gx13-5C-1.061. During this meeting, all required forms for fundraising were reviewed and provided for all participants as well as discussion of proper procedures for conducting fundraising activities designed to ensure awareness and understanding of the required practices and to strengthen controls over the accounting of merchandise for resale to students. Emphasis was also placed on the responsibility of activity sponsors to maintain accurate inventories of unsold merchandise.

The Principal directed the Assistant Principal, Treasurer, Activities Director, and all Club Sponsors to work collaboratively to ensure that all fundraising activities conducted at G. Holmes Braddock Senior High School follow established procedures and that all merchandise for resale to students will be sold on a pre-sale basis. All merchandise will be properly safeguarded from loss in a secure location in the school, accessible by a specific key issued only to the Principal and Treasurer. The Principal directed the Assistant Principal, Treasurer, Activities Director and all Club Sponsors that any future fundraising activities will be limited to no more than two weeks. This procedure will assist Club Sponsors in maintaining an accurate inventory of unsold merchandise.

The Principal directed the Treasurer to conduct periodic reconciliations of continuous merchandising activities, including inventories as appropriate, of all fundraising activities and to notify the Principal and the Club Sponsors immediately of any discrepancies. Discrepancies will be addressed immediately.

The Principal confirmed with staff from the Office of Management and Compliance Audits that the current inventory of Physical Education T-shirts is 789 and 1,114 for Physical Education shorts. These items are currently stored in a secure place in the school's main office. Only the Principal and the Treasurer have keyed access to this area. Additional Physical Education uniforms will not be purchased by the school until the current inventory is exhausted.

Additionally, the Treasurer will assume the sole responsibility for the sale of Physical Education uniforms to students at a designated location during the first three weeks of school for 2011-2012. The Principal has now mandated the purchase of Physical Education uniforms for students. These uniforms will be sold to students at cost. No Club Sponsors and/or Department Heads will be involved in the sale of Physical Education uniforms.

The Principal directed the Treasurer to conduct periodic inventories of any merchandise and/or Physical Education uniforms being sold and to advise the Principal immediately of any discrepancies.

The Principal directed the Assistant Principal to meet with the Treasurer and the Activities Director on a weekly basis to review any requests for fundraisers prior to submitting to the Principal for final approval. This review process is designed to ensure compliance with all procedures in the *Manual of Internal Fund Accounting* and to prevent future discrepancies.

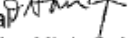
The Principal will meet with all faculty and staff during the Opening of Schools meeting for 2011-2012 and review the *Manual of Internal Fund Accounting* with particular emphasis to be placed on Section IV, Chapter 2.

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Dr. Melanie K. Fox

MEMORANDUM

June 13, 2011

TO: Dr. Alexis Martinez, Region Superintendent
Region IV

FROM: Jane Garraux, Principal 
John A. Ferguson Senior High School

SUBJECT: **ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF
JOHN A. FERGUSON SENIOR HIGH SCHOOL**

The following is in response to the relevant findings in the recent internal account audit for John A. Ferguson Senior High School.

RECOMMENDATIONS

- 1.1 **Discuss field trip procedures with staff and school allied organizations for awareness and understanding of the requirements related to school sponsored field trips.**
- 1.2 **Continue to strengthen accountability over collections and disbursements related to school sponsored activities. Specifically, discuss the use of proper account structures and sub-ledgers with activity sponsors and the treasurer for understanding and awareness of the requirements and expectations. Stress the importance of the proper use of sub-ledgers to prevent commingling of funds from various accounts.**
- 1.3 **Refrain from engaging in activity which bypasses the recordkeeping procedures established in the *Manual* such as allowing booster clubs to make direct payments to vendors for school activities accounted for by the school.**

Person(s) Responsible: Principal, Assistant Principal, Activities Director, Treasurer, Club Sponsors, and Allied Organization Officers

Management Response

In order to ensure that all field trip procedures are adhered to and to strengthen accountability over collections and disbursements related to school sponsored activities as documented in the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting*, the Principal implemented the following corrective actions and preventive strategies.

The Principal has reviewed with all person(s) responsible: the Assistant Principal, Treasurer, Activities Director, Club Sponsors and Allied Organization Officers, the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting* emphasizing, Section IV, Chapter 12 – PTA/Booster Club Activities and School Board Rules: 6Gx13-3D-1.021 and 6Gx13-5C-1.061. Specific attention was directed regarding the proper procedures for school sponsored field trips, the prevention of commingling of funds within the same activity account structure, the use of proper account structures, the required supporting documentation for all transactions, the required procedures for payment to vendors and the accurate reflecting of per student cost for participation.

At the Opening of School meetings for 2011 - 2012, the Principal will review with all faculty and staff, the M-DCPS Field Trip Handbook and the *Manual of Internal Fund Accounting*. A separate meeting will be required for any faculty and staff members who serve as a Club Sponsor or plan on participating in field trip and/or fundraising activities. Participation in this meeting will be required for securing the Principal's approval of the aforementioned activities. During this meeting, the Principal will provide a comprehensive, detailed review of the mandated policies and procedures. In addition, the Ferguson High School Club Sponsor Handbook, outlining specific school site and district procedures, will also be reviewed.

The Principal directed the Assistant Principal, Activities Director and Treasurer to develop a comprehensive accounting checklist to ensure compliance with all field trip and/or fundraising requirements. The checklist for field trips will include the completing of the Field Trip Request Packet, (FM-2431), and if applicable, Application for Fundraising Activity (FM-1018), Recap of Collections, (FM-1004) and Check Requisition/JV Transfer, (FM-0992). The Activities Director will ensure the Field Trip Packet is complete and the supporting documentation is attached prior to submitting to the Assistant Principal for review. The Assistant Principal will review the Field Trip Request Packet (FM-2431) for accuracy prior to submitting to the Principal for final approval. Upon final approval, the Principal will submit the field trip request to the Treasurer for processing. The Principal will be notified immediately by either the Assistant Principal or Treasurer if any discrepancies are identified and the records will be corrected.

The Principal and Assistant Principal will conduct a meeting at the beginning of the year with the Allied Organization Officers to review the *Manual of Internal Fund Accounting*, Section IV, Chapter 12 – PTA/Booster Club Activities. The Principal will direct the Assistant Principal to work closely with Club Sponsors and Allied Organization Officers to ensure compliance with fundraising and booster club procedures and to meet monthly to review accuracy of all transactions. Emphasis will be placed upon prohibiting Allied Organizations from making direct payments to vendors. Compliance with these procedures will be required for securing final approvals of fundraising and booster club activities by the Principal.

The Principal directed the Treasurer and Club Activity Sponsors to strengthen accountability over collections and disbursements related to school sponsored activities by using proper account structures and sub-ledgers as appropriate.

The Principal, Assistant Principal, Activities Director, Treasurer and designated Club Sponsors will meet at the end of each month to review the current internal accounts and field trip documentation in order to ensure compliance and accurate record keeping. In order to prevent the commingling of funds, field trip activities will be properly identified and associated collections will be accounted for in a separate Trust Fund account. A sub-ledger number will be used on the Recap of Collections form to identify each field trip. Any discrepancies identified will be reported to the Principal and corrected immediately. Non-compliance will be addressed by the Principal with the responsible person(s).

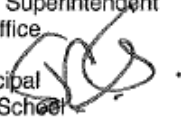
Should you require additional information, please do not hesitate to contact me at your convenience.

CC: Dr. Daniel Tosado
Dr. Cynthia Gracia
Dr. Melanie Fox

MEMORANDUM

June 13, 2011

TO: Mr. Nikolai P. Vitti, Assistant Superintendent
Education Transformation Office

FROM: Mr. Julian Cazañas Jr., Principal
Miami Jackson Senior High School 

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

The cited audit findings for the period of July 1, 2009 through June 30, 2010 have been carefully reviewed by the Principal with the newly-appointed Treasurer. As a result, the Principal has established an action plan comprised of definitive strategies to implement in order to prevent recurrence.

FINDINGS AND RECOMMENDATIONS

1. RECEIPTING AND DISBURSEMENT

RECOMMENDATIONS

- 1.1 Direct the Treasurer to immediately issue a receipt whenever funds are being received from staff and students. Similarly, direct sponsors to request a receipt when turning funds over to the Treasurer for deposit and to issue a receipt from the students when receiving funds.
- 1.2 Prior to approving any expenditure, ensure that the expenditure is not only allowable but comports with the intent of the monies collected/available in the account.
- 1.3 Obtain quotes and complimentary signed lists as needed to document the disbursement.
- 1.4 Promptly follow-up the payment of any advances of funds made to clubs and include in the documentation any applicable forms, explanation and terms for returning the funds.
- 1.5 Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.
- 1.6 School-sponsored activities should be paid entirely by the school to ensure clear and proper accountability of what is being paid. Consequently, parties interested in assisting with the cost of the activities can do so by making a donation to the school and providing a donation letter indicating the purpose of the donation.

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

Management Response:

The Principal met with the Treasurer to review the procedures, requirements, and expectations as it relates to receipts and disbursement of funds as stated in Section II Chapter 2, 4, and 5 in the *Manual of Internal Fund Accounting*. The Principal created and implemented a comprehensive action plan to ensure full compliance with the issuing of receipts as funds are collected from students and staff members, confirming expenditures are allowable and monies are readily available, and assisting with obtaining quotes and complimentary signed lists. Monthly reviews of schools accounts conducted by the Principal; will ensure that monies are readily available and that expenditures for these accounts are occurring within the appropriate guidelines.

The Principal, Vice Principal and Treasurer reviewed the expectations and procedures in awarding cost thresholds established by the *Manual of Internal Fund Accounting* and obtaining the necessary approvals for each. The responsible parties will have all sponsored activities paid entirely by the school and proper documentation will be required to ensure a transparent accountability process. As it relates to activities, the Principal and Treasurer will only accept donations with written supportive documentation in the form of an addressed letter.

FINDINGS AND RECOMMENDATIONS

2. FUNDRAISING

RECOMMENDATIONS

2.1 Discuss and reinforce with staff and students the procedures relative to fieldtrips, fundraising, and the accounting for these activities through the internal funds of the school.

2.2 Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports.

2.3 Ensure that Field Trip Permission Forms are prepared and on file at the school.

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

Management Response:

The Principal, Vice Principal, Activities Director, Athletic Director and Treasurer to review the procedures related to fundraising activities as stated in Section IV, Chapter 1 and 2 in the *Manual of Internal Fund Accounting* and signed receipt of document. Staff members involved with Fundraising and Student Activity Reports participated in a professional development session that clearly delineated the processes and requirements associated with fundraising activities. The Vice Principal reviewed all corresponding documents on a weekly basis to ensure reports, field trip packets, adjusted prices for activity participation and other documentations are accounted for and properly completed. The Vice Principal discussed any errors with the Principal and is corrected prior to the Principal's signature being obtained. As it related to monetary support for activities, the Principal and Treasurer will only accept donations

with written supportive documentation in the form of an addressed letter and ensure that funds are utilized according the specifications outlined.

On a monthly basis, the Vice Principal will review all Student Activity Operating Reports and will review the findings with the Principal. The Principal will ensure all documentation is corrected and addressed any deficiencies in a timely manner. The Principal will randomly monitor this process and review documents to ensure ongoing compliance.

PLANT SECURITY

Person(s) Responsible: Principal, Vice Principal, TV Audio Technician, Microsystems Technician

Management Response:

The Principal developed guidelines and conducted a staff meeting to review property control procedures. The Principal instructed all staff to properly safeguard property located in the designated work area. The staff was directed to secure doors and windows as they exit classrooms or buildings. The staff was instructed to immediately report any discrepancies as related to missing property to the administrator designee for property, the Vice Principal, who immediately notifies the Principal. The Principal will follow district procedures for unlocated or missing property. A Property Inventory Confirmation Form was completed by all staff at conclusion of the school year.

Going forward, as part of Opening of School Procedures, property control procedures will be reviewed and the Property Inventory Confirmation Form will be completed by all staff verifying the location. Random checks of property location will occur throughout the school year by the Principal and Vice Principal, any discrepancies noted will be handled immediately.


If any further corrective actions or additional strategies are necessary, please contact me at 305-634-2621.

cc: Dr. Janice Cruse-Sanchez
Ms. Maria T. Gonzalez

MEMORANDUM

June 13, 2011

TO: Mr. Nikolai P. Vltti, Assistant Superintendent
Education Transformation Office

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

SUBJECT: **ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORT OF BOOKER T. WASHINGTON SENIOR HIGH SCHOOL**

The following is in response to 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.

FINDINGS AND RECOMMENDATION

Inadequate Recordkeeping, Documenting, and Reporting Of Payroll

RECOMMENDATIONS

- 1.1 Review with school staff and administration, the sign-in in/out payroll procedure and the proper documentation of payroll hours, especially part-time employees.**
- 1.2 New employees should not report to work until the employee has been fully approved and set up in the system to work at the location.**
- 1.3 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

Person(s) Responsible: Principal, Vice Principal, Payroll Clerk

As a newly assigned principal, in order to ensure proper procedures are followed the principal met with the Payroll Clerk, Back-Up Payroll Clerk and Vice Principal to review the Payroll Processing Procedures Manual and Payroll Highlights to establish sound system for documenting, recording, and reporting the payroll.

Additionally, the Principal met with the Cafeteria Manager and reviewed the proper sign-in in/out procedures emphasizing employees would sign-in in/out in their own hand writing. During the meeting, payroll reporting procedures were provided in writing and a signature of acknowledgement form from the Cafeteria Manager was obtained and on file. The Principal has re-located the sign-in sheet to the Main Office area and are periodically reviewing for compliance.

The Principal will ensure that all new employees will not work until proper clearance has been established. The Principal will monitor SAP for employee clearance. The SAP system was in its infancy stage earlier in the year and staff did acknowledge that there were some complications in completely understanding the system. The Principal assured that staff acquired additional training in SAP system. The Principal and Vice Principal established a system to ensure that hiring of personnel is completed prior to their initial day of work.

The Payroll Clerk and the Vice Principal verifies on a daily basis that employees present for the day have indicated presence and the appropriate codes have been inserted (e.g., S – Sick, P- Personal) for individuals not present for the day. The Payroll Clerk completes the corresponding Leave Cards on a daily basis and the Vice Principal verifies the accuracy of the information. The

Vice Principal monitors the acquisition of the signature from the appropriate staff members. Any omissions or discrepancies will be reported to the Principal and corrected on a daily basis.

The Vice Principal will review the Working Roster and outline any discrepancies with the Principal. Prior to the on-line approval of the payroll, the Principal will review the Final Roster and all corresponding documents for final completion and accuracy.

Going forward, as a part of the Opening of School meeting with staff, the Principal will review payroll reporting procedures with the entire faculty and staff. Emphasis will be placed on special payroll procedures for all personnel. Subsequently, payroll reporting procedures will be provided in writing and signature of acknowledgement from all staff will be acquired and maintained on file.

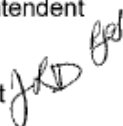
If any further corrective actions or additional strategies are necessary, please contact me at Booker T. Washington Senior High School, 305-324-8900.

cc Dr. Janice Cruse-Sanchez
Ms. Maria T. Gonzalez

MEMORANDUM

June 17, 2011
JLD#082/2010-11
305-523-0901

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Jose L. Dotres, Region Superintendent 
Region II

SUBJECT: RESPONSES TO AUDIT REPORT OF REGION II SCHOOLS

Please find attached the responses to the audit finding for the 2009-2010 fiscal year for Lake Stevens Middle School, and Nautilus Middle School. Region II has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Lake Stevens Middle School

- 1. Bookkeeping Function Not Compliant With Procedures.**
 - 1.1 Discontinue the issuance of partially completed checks.**
 - 1.2 Strengthen the review over the disbursement function with staff to ensure awareness and understanding of the procedures, specifically those related to Fund 9 disbursements and the issuance of refunds.**
 - 1.3 Enforce proper utilization of the Collections/Deposits Log form [FM-7249] and periodically review to ensure it's properly utilized.**
 - 1.4 Ensure that the school properly inventories all official forms and that the administration carefully reviews the inventory prior to filing.**
 - The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review Section II, Chapter 5 of the *Manual of Internal Fund Accounting* to develop and submit a systematic written plan to follow regarding disbursement function. This plan should specifically include procedures for issuance of checks, Fund 9 disbursements and issuance of refunds.
 - The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review *Weekly Briefing #5164* and ensure that procedures for safeguarding deposits at the school site utilizing Form #7249 are precisely followed.

- The Region II Business/Personnel Administrative Director instructed the principal to thoroughly review Section V, Chapters 1 and 2 of the Manual of Internal Fund Accounting to develop and submit a systematic written plan to ensure that an accurate inventory of official forms is prepared and maintained on file at the school site at the end of the fiscal year.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will solicit assistance from the Office of Internal Funds to provide necessary training for selected staff.
- The Region II Business/Personnel Administrative Director, cooperatively with the Principal, will coordinate quarterly Internal Funds mini-reviews. Results will be examined and discrepancies will be immediately corrected.

Nautilus Middle School

1. **Discrepancies in Special Education (SPED) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances.**
 - 1.1 **Staff and administration should strengthen their review of SPED records and student folders to make certain that the information is accurate and that all pertinent forms are completed and filed in the folders immediately after the information is entered into ISIS. Particular attention should be paid to documentation corresponding to students funded at levels 254 and 255.**
 - 1.2 **Ensure that all SPED and Gifted student folders contain current IEP/EPs and Matrix of Services forms which have been properly completed, reviewed and updated.**
 - School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.
 - The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Special Education as well as the Region's SPED Supervisor and the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the SPED program.
 - Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.
2. **Discrepancies in English Language Learners' (ELL) Student Records Resulted In Potential Full-Time Equivalent (FTE) Funding Disallowances.**

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

2.4 Timely follow-up requests for cumulative folders and missing folder documentation of ELL students who have transferred to the school from other schools, and promptly notify school administration of such discrepancies to ensure their timely resolution.

- School staff will utilize a records review checklist, developed by the Region, to ensure that cumulative folders and SPED/IEP folders are carefully reviewed for compliance upon entry.
- The Region Center II Business/Personnel Administrative Director will solicit assistance from the Division of Bilingual Education as well as the Region's *Business Management Review Team* (BMRT) to conduct mini-reviews each semester for compliance in selected areas of the ESOL program.
- Results from the District and Region mini-reviews will be submitted to the Region Center II Business/Personnel Administrative Director for review and discussion with the Principal. All necessary corrections will be made accordingly.

Performance Planning and Assessment System Planning Forms for both Principals for the 2011-12 school year will address audit findings reflected in both job targets and progress points to ensure effective business management practices.

Should you need additional information, please contact me at (305) 523-0901. Thank you for your continued support and assistance.

JLD/MFH/sr

Attachments

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Ms. Marie F. Harrison

MEMORANDUM

June 15, 2011
ESP/#245/2010-11

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Essie S. Pace, Region Superintendent
Region III

SUBJECT: RESPONSE TO INTERNAL AUDIT REPORTS OF REGION III SCHOOLS

The following is a response to the findings in the school audit reports for the 2009-2010 fiscal year for Coral Gables Senior High School and Miami Senior High School. Region III has reviewed the audit response for the above-mentioned schools. As a result of the audit finding, the following support activities will be implemented at the region level:

Coral Gables Senior High School

- 1.1 Immediately discontinue the practice of modifying the posting of Fund 9 transactions in the manner cited above, and the splitting of Fund 9 purchases.
- 1.2 Review the Fund 9 disbursement procedures with staff to ensure awareness and understanding of the requirements and expectations, and the timeliness of disbursements.
- 1.3 Review the list of authorized and unauthorized Fund 9 purchases and instruct staff to only purchase those items allowed by the guidelines.
- 1.4 Monitor Fund 9 balances to prevent overspending.
- 1.5 Follow up with the appropriate department to ensure the tagging of the kiln.
 - The principal was instructed to personally review the postings of Fund 9 transactions.
 - The principal was instructed to personally review the disbursements, monitor available balances and ensure compliance with guidelines.
 - The principal was instructed to monitor the timely reconciliation of Fund 9.
 - The Region III Administrative Director will monitor compliance of internal funds procedures by reviewing monthly financial reports and conducting site visits to verify.

Miami Senior High School

1. Reassess the work schedule of the Reading Coach to ensure compliance with the requirements of the job.
 - The principal was instructed to personally review and monitor the master schedule, the issuance of supplements and compliance with Title I procedures.
 - The Region III Administrative Director will monitor compliance of all Title I procedures by conducting site visits to verify.

School principals will be required to participate in the Districts Money Matters Support Program and address specific audit findings in their job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to ensure effective and efficient practices.

If you need additional information, please contact me at (305) 883-0403.

cc: Dr. Daniel Tosado
Mr. Jorge L. Garcia
Ms. Cynthia Gracia

MEMORANDUM

June 15, 2011

TO: Mr. Freddie Woodson, Deputy Superintendent
District/School Operations

FROM: Dr. Alexis Martinez, Region Superintendent
Region IV



SUBJECT: RESPONSE TO INTERNAL AUDIT REPORTS OF REGION IV SCHOOLS

The following is a response to relevant findings in the school audit reports for G. Holmes Braddock Senior High School and John A. Ferguson Senior High School.

Region IV has reviewed the audit responses for the above mentioned schools and as a result of the audit findings, the following support activities will be implemented at the Region level:

G. HOLMES BRADDOCK SENIOR HIGH SCHOOL

RECOMMENDATIONS

- 1.1 **Discuss the procedures for conducting fundraising activities with sponsors to ensure awareness and understanding of the exceptions.**
- 1.2 **Strengthen controls over the accounting of merchandise for resale to students and ensure that activity sponsors maintain an accurate inventory of unsold merchandise, especially when it relates to continuous activities.**
- 1.3 **Require periodic reconciliations of continuous merchandising activities and carry-over inventories to identify possible discrepancies and resolve them in a timely manner.**
 - The Region IV Administrative Director will periodically review fundraising records at the school for any potential discrepancies with the *Manual of Internal Fund Accounting*.
 - The Principal was directed to personally review fundraising and merchandising activities and all associated records for accuracy and compliance with the *Manual of Internal Fund Accounting*.
 - The Principal will include a job target in the Performance Planning document for the 2011-2012 school year addressing the careful monitoring and implementation of all fundraising and merchandising in accordance with District policies and procedures detailed in the *Manual of Internal Fund Accounting*.

JOHN A. FERGUSON SENIOR HIGH SCHOOL

RECOMMENDATIONS

- 1.1 Discuss field trip procedures with staff and school allied organizations for awareness and understanding of the requirements related to school sponsored field trips.**
- 1.2 Continue to strengthen accountability over collections and disbursements related to school sponsored activities. Specifically, discuss the use of proper account structures and sub-ledgers with activity sponsors and the Treasurer for understanding and awareness of the requirements and expectations. Stress the importance of the proper use of sub-ledgers to prevent commingling of funds from various activities.**
- 1.3 Refrain from engaging in activity which bypasses the recordkeeping procedures established in the *Manual* such as allowing booster clubs to make direct payments to vendors for school activities accounted for by the school.**
 - The Region IV Administrative Director will periodically review field trip records at the school for accuracy and compliance with policies and procedures detailed in the *Manual of Internal Fund Accounting*.
 - The Principal was directed to personally review field trip records for accuracy and potential discrepancies to be immediately addressed.
 - The Principal will include a job target in the Performance Planning document for the 2011-2012 school year addressing the careful monitoring and implementation of all field trips in accordance with District policies and procedures detailed in the *Manual of Internal Fund Accounting*.

Please contact me at 305-595-7022 should you require additional information. Your continued support and assistance is sincerely appreciated.

AM/MF/jh
M72

cc: Dr. Daniel Tosado
Ms. Cynthia Gracia
Dr. Melanie Fox

MEMORANDUM

June 17, 2011

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

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations

**SUBJECT: DISTRICT/SCHOOL OPERATIONS' AUDIT RESPONSE TO SCHOOLS
IN REGION II, III AND IV**

District/School Operations has reviewed the audit exceptions cited for the 2009-2010 fiscal year for Lake Stevens Middle School, Nautilus Middle School, Coral Gables Senior High, Miami Senior High, G. Holmes Braddock Senior High, and John A. Ferguson Senior High.

- District/School Operations will assess results quarterly of the District/Region Business Directors reviews of selected areas of Internal Funds, Student Activities, Disbursements and Deposits. Discrepancies will be investigated through the appropriate District/Regional Center office.
- District/School Operations in collaboration with the region will facilitate schedules for technical training with the appropriate office on a bi-monthly basis or as requested with the principal, business manager and/or appropriate district offices to review selected areas of Internal Funds, deposits and disbursements and/or ELL/SPED compliance .
- The Money Matters Support Program will provide information on the proper implementation of Title I Compliance requirements, Internal Funds and appropriate purchases, property control, child care and community school and properly completing and updating the ELL documents to reduce the probability of consequential funding disallowances.

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

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cc: Dr. Daniel Tosado
Region Superintendents
Region Business Directors

MEMORANDUM

June 13, 2011

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

FROM: Mr. Nikolai P. Vitti, Assistant Superintendent
Education Transformation Office 

SUBJECT: ADMINISTRATIVE RESPONSE TO SCHOOL AUDIT REPORTS OF BOOKER T. WASHINGTON SENIOR HIGH SCHOOL AND MIAMI JACKSON SENIOR HIGH SCHOOL

Please find attached the response to the internal funds audit for the 2009-2010 fiscal year for Booker T. Washington Senior High School and Miami Jackson Senior High School. The Education Transformation Office (ETO) has reviewed the audit exceptions cited. The following support activities will be implemented.

Booker T. Washington Senior High School

Payroll

- 1.1 Review with school staff and administration, the sign-in in/out payroll procedure and the proper documentation of payroll hours, especially part-time employees.**
- 1.2 New employees should not report to work until the employee has been fully approved and set up in the system to work at the location.**
- 1.3 Strengthen the overall review of payroll and ancillary documentation to ensure that the documentation supports the payroll reported.**

The Education Transformation Office Administrative Director will conduct on-site quarterly mini-reviews of selected Payroll to ensure that record keeping procedures are intact, organized and discrepancies are dealt with in a timely manner and to insure compliance with all guidelines outlined in the Payroll Processing Procedures Manual and Payroll Highlights.

The Education Transformation Office Administrative Director convened a meeting with the Principal to review established action plan procedures to avoid further audit exceptions. The Principal reviewed the procedures with the Assistant Principal and Payroll Clerk.

Miami Jackson Senior High School

Receipting and Disbursement

- 1.1 Direct the Treasurer to immediately issue a receipt whenever funds are being received from staff and students. Similarly, direct sponsors to request a receipt when turning funds over to the Treasurer for deposit and to issue a receipt from the students when receiving funds.**
- 1.2 Prior to approving any expenditure, ensure that the expenditure is not only allowable but comports with the intent of the monies collected/available in the account.**

- 1.3 Obtain quotes and complimentary signed lists as needed to document the disbursement.
- 1.4 Promptly follow-up the payment of any advances of funds made to clubs and include in the documentation any applicable forms, explanation and terms for returning the funds.
- 1.5 Going forward, adhere to award cost thresholds established by the School Board and obtain all necessary approvals.
- 1.6 School-sponsored activities should be paid entirely by the school to ensure clear and proper accountability of what is being paid. Consequently, parties interested in assisting with the cost of the activities can do so by making a donation to the school and providing a donation letter indicating the purpose of the donation.

The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section II Chapter 2, 4, and 5 in the *Manual of Internal Fund Accounting* to ensure that procedures are followed as related to proper receipting of funds and disbursement of funds, specifically as it relates to donations. The Education Transformation Office Administrative Director will coordinate quarterly Internal Funds mini-reviews. Results will be examined and any discrepancies reviewed with the Principal and Treasurer.

Fundraising

- 2.1 Discuss and reinforce with staff and students the procedures relative to fieldtrips, fundraising, and the accounting for these activities through the internal funds of the school.
- 2.2 Strengthen the review over fundraising activities, including the preparation, review and filing of Student Activity Operating Reports.
- 2.3 Ensure that Field Trip Permission Forms are prepared and on file at the school.

The Education Transformation Office Administrative Director instructed the Principal to thoroughly review Section IV, Chapter 1 and 2 in the *Manual of Internal Fund Accounting* and develop a systematic plan to follow regarding fundraising and field trips. The plan specifically includes implementation procedures to follow for fundraising activities and the utilization of a Field Trip Checklist Form developed by the Education Transformation Office to ensure proper completion of documents. The Education Transformation Office Administrative Director will coordinate quarterly school-site mini-reviews to randomly review documents.

Plant Security

The Principal was instructed to develop a plan that outlined property control procedures to include receipt, check-out, movement within the facility and return of items to a specific administrative designee. The Principal was instructed to identify the location of all property and conduct quarterly property inventories. Results of these property inventories will be submitted to the Education Transformation Office Administrative Director. The Principal was instructed to complete random checks of property to ensure that all items can be located.

Additionally, the affected principal will participate in the District's Money Matters Support Program during the 2011-2012 school year. The affected principal addressed the specific audit findings in his job targets on the Performance Planning and Assessment System Planning Form and provide progress points and evidence of progress to ensure effective and efficient practices.

If you need additional information, please contact me at (305) 995-2858. Thank you for your continued support and assistance.

cc: Dr. Janice Cruse-Sanchez
Ms. Maria T. Gonzalez
Ms. Cynthia Gracia

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, 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 sex 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.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

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.

INTERNAL AUDIT REPORT
SELECTED SCHOOLS
June 2011



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