

# MIAMI-DADE COUNTY PUBLIC SCHOOLS



## *Internal Audit Report Selected Schools*



*The Financial Statements  
Corresponding To 41 of 42 Schools In  
This Report Were Fairly Stated.  
At Three Schools, Controls Over Field  
Trip Collections, Grant Funds,  
Disbursements, And The  
Management Of Property Need  
Improvement.*

*March 2013*

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

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Dr. Martin Karp, Vice Chair

Dr. Dorothy Bendross-Mindingall

Ms. Susie V. Castillo

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Mr. Alberto M. Carvalho

Superintendent of Schools

Mr. Jose F. Montes de Oca, CPA

Chief Auditor

Office of Management and Compliance Audits

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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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*Dr. Marta Pérez*

*Raquel A. Regalado*

February 28, 2013

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

Ladies and Gentlemen:

This report includes the audit results of 42 schools currently reporting to the Education Transformation Office or School Operations. The audit scope of one of the 42 schools is two fiscal years ended June 30, 2012; while the audit scope of the remaining 41 schools is one fiscal year ended June 30, 2012. Additionally, at six schools, there was a change of Principal since the prior audit.

The main objectives of these audits were to express an opinion on the financial statements of the schools, 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, Full-Time-Equivalent (FTE) reporting and student records, and aspects of data security. The audits also included the results of property inventories.

Our school audits disclosed that the financial statements of 41 of 42 schools reported herein were fairly stated. At 39 of the 42 schools, we found general compliance with prescribed policies and procedures, and site records were maintained in good order. Property inventory results for all but three schools reported herein were satisfactory; and the school with the most significant losses was cited. For all compliant schools in this report, we extend our congratulations to their principals and staffs, and commend them for such favorable results.

At three of the 42 schools, we found that controls over the procedures for receipting, disbursing and recording field trip collections and grant funds, documenting disbursements, and the management of property need improvement.

We discussed the audit findings with school 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 42 schools. Of these 42 schools, 33 report to the North Region Office, one to the South Region Office, seven to the Educational Transformation Office (ETO), and one adult education center that reports to the Adult and Community Education Division within School Operations. At six of these schools, there was a change of Principal since the prior audit.

The audit period of one of the 42 schools is a two-fiscal year audit ended June 30, 2012, while the audit period of the remaining 41 schools is a one-fiscal year audit period ended June 30, 2012.

The audits disclosed that 39 of the 42 schools reported herein maintained their records in good order and in accordance with prescribed policies and procedures. The three schools with audit findings and the affected areas are summarized in the following table:

School	Region	Total	Field Trip Collections	Grants/ Disbursements	Property
1. Paul Laurence Dunbar K-8 Center	ETO	1	√		
2. Barbara Hawkins Elementary	ETO	1		√	
3. Kelsey L. Pharr Elementary	ETO	1			√

Audit findings cited control deficiencies over the procedures for receipting, disbursing and recording field trip collections and grant funds; documenting disbursements; and the management of property.

A Summary Schedule of Audit Findings listing audit results of current and prior audit periods for all schools in this report is presented on pages 16-19. Responses are included following the recommendations in the *Findings and Recommendations* section of this report (Pages 28-39); and in the Appendix section in memorandum format (Pages 48-53).

*Notwithstanding the conditions and findings reported herein, at 41 of 42 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 2010-2011 and/or 2011-2012 fiscal year(s), on the cash basis of accounting, and depending on the school audited. At Paul Laurence Dunbar K-8 Center, except for the activity recorded in the Trust Fund, as further explained on pages 28-30 of this report, which disclosed inadequate controls over the collecting, receipting and depositing of funds arising from field trip activities, and which precluded us from verifying the accuracy of the monies collected by the school for field trip activities during the period under audit; the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-2012 fiscal year, on the cash basis of accounting.*

*As of June 30, 2011, for one of the 42 schools reported herein, total receipts and disbursements amounted to \$18,230 and \$21,135, respectively; while total combined cash and investments amounted to \$11,658 (Page 6).*

*As of June 30, 2012, for all 42 schools reported herein, total combined receipts and disbursements amounted to \$7,204,806 and \$7,204,735, respectively; while total combined cash and investments amounted to \$1,859,046 (Pages 7-10).*

*Except for those conditions and findings reported herein and in the audit reports of the individual schools, as of June 30, 2011 and/or June 30, 2012, the internal control structure at the schools generally functioned as designed by the District and implemented by the school administration.*

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

## **INTERNAL FUNDS**

Internal funds records and procedures were reviewed at all 42 schools. Of this total, 40 were in general compliance with the procedures established in the *Manual of Internal Fund Accounting*. At the following two schools we found the following:

- At Paul Laurence Dunbar K-8 Center, the process to collect field trip admissions at the schools was not working as designed, as collections were not readily receipted and remained undeposited at the school for excessive periods of time. Furthermore, the treasurer did not maintain a proper accounting of those collections that remained in her custody pending recording and deposit (Pages 28-32).
- At Barbara Hawkins Elementary, grant funds from different sources were commingled in the same account and not all funds were spent according to the grants' budget categories and timelines. Grant expenditures included the purchase of gift cards; however, their distribution was not properly documented, and the school did not obtain School Board approval to distribute gift cards with an individual monetary value exceeding \$100. Regarding disbursements, we found instances where three written vendor quotations (including one from a certified minority enterprise) for purchases over \$1,000 or more (but less than \$50,000) were not on file to document the vendor's selection; and the school was not issuing purchase orders for individual purchases of \$100 or more (Pages 33-36).

## PAYROLL

We reviewed current payroll records and procedures at the following 18 schools:

School Name	Region	School Name	Region
▪ Barbara Hawkins Elementary	ETO	▪ Palm Springs North Elementary	North
▪ Kelsey L. Pharr Elementary	ETO	▪ Spanish Lake Elementary	North
▪ Allapattah Middle <sup>1</sup>	ETO	▪ Lawton Chiles Middle	North
▪ Miami Carol City Senior	ETO	▪ Hialeah Gardens Middle	North
▪ Miami Edison Senior <sup>1</sup>	ETO	▪ Barbara Goleman Senior	North
▪ Miami Norland Senior <sup>1</sup>	ETO	▪ Miami Beach Senior <sup>1</sup>	North
▪ Amelia Earhart Elementary	North	▪ Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	North
▪ Myrtle Grove K-8 Center	North	▪ Neva King Cooper Educational Ctr. <sup>1</sup>	South
▪ Natural Bridge Elementary	North	▪ D. A. Dorsey Educational Center <sup>1</sup>	Adult Ed.

At all 18 schools, there was general compliance with the *Payroll Processing Procedures Manual*.

## PROPERTY

The results of physical inventories of property items with an individual cost of \$1,000 or more are reported for 58 schools. This total includes the property results of all 42 schools in this report; and 16 schools whose results were pending publication since audit reports previously issued this fiscal year.

At 58 schools, Property Audits staff inventoried a total of 14,411 equipment items with a total approximate cost of \$36.3 million. Property inventory results proved satisfactory for 55 of the 58 schools reported herein. For three schools, the property audits reported as “unlocated” a total of 17 items at a depreciated value of approximately \$1,300 and an acquisition cost of \$26,224 (refer to Property Schedules on pages 24-26).

- At Kelsey L. Pharr Elementary, one of the three schools with reported losses, our physical verification of property disclosed that 12 property items with a depreciated value of approximately \$700 and an acquisition cost of approximately \$18,900 could not be located. Most of the equipment was obsolete. School administration acknowledged that school staff disposed of the equipment inappropriately (Pages 24 and 37-39).

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 for this group disclosed that 21 items with a depreciated value of approximately

<sup>1</sup> Change of Principal at this school since prior audit (six schools).

\$8,400 and a total approximate cost of \$34,000 were reported missing at nine schools (Page 27). Losses included computers, audio visual equipment, musical instruments and medical training equipment.

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

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

School Name	Region
▪ Miami Carol City Senior	▪ ETO
▪ Miami Edison Senior	▪ ETO
▪ Crestview Elementary	▪ North
▪ Joella C. Good Elementary	▪ North
▪ Ernest R Graham K-8 Center	▪ North
▪ Hialeah Gardens Elementary	▪ North
▪ Palm Lakes Elementary	▪ North
▪ Westland Hialeah Senior	▪ North
▪ D. A. Dorsey Educational Center	▪ Adult Ed.

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

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

The following nine schools were selected for these audits:

School Name	Region	Survey Period (SP)	FTE Funding
▪ John G. Dupuis Elementary	North	2012-2013 SP2	\$ 1,276,041
▪ Bob Graham Education Center	North	2012-2013 SP2	3,347,181
▪ Ernest R Graham K-8 Center	North	2012-2013 SP2	2,828,750
▪ Hialeah Gardens Elementary	North	2012-2013 SP2	1,838,015
▪ North Hialeah Elementary	North	2012-2013 SP2	1,179,192
▪ North Twin Lakes Elementary	North	2012-2013 SP2	1,083,808
▪ Palm Springs Middle	North	2012-2013 SP2	2,436,178
▪ Miami Beach Senior	North	2012-2013 SP2	4,626,908
▪ Robert Renick Educational Center	North	2012-2013 SP2	504,216
<b>Total FTE Funding</b>			<b>\$ 19,120,289</b>

The total FTE funding amounted to approximately \$19.1 million for the nine schools combined. FTE records reviewed corresponded to the 2012-2013 Survey Period 2 (October 2012). Our FTE reviews disclosed that all nine schools were generally compliant with District policy.

## TITLE I PROGRAM EXPENDITURES AND PROCEDURES

A review of Title I Program expenditures and procedures for the 2011-2012 fiscal year was conducted at the following two schools since our last report in January 2013:

School Name	Region	Total Expenditures
▪ Spanish Lake Elementary	North	\$ 222,868
▪ Westland Hialeah Senior	North	610,947
Total Title I Program Expenditures		\$ 833,815

Total expenditures incurred under various Title I programs amounted to approximately \$834,000. Results of our audits disclosed that both schools were generally compliant with the policies and procedures established by the *Title I Administration Handbook*.

## DATA SECURITY

We reviewed the report titled “Authorized Applications for Employees by Locations Report” at three schools as a follow up to prior audit results in the area of school site IT function. The schools reviewed were:

School Name	Region
▪ Myrtle Grove K-8 Center	North
▪ Barbara Goleman Senior	North
▪ Robert Renick Educational Center	North

Our review disclosed that all three schools generally complied with the review of the report and with the requirements for granting access to system applications.

## AUDIT OPINION

The following tables summarize total cash receipts and disbursements, and financial position of cash and investments as of June 30, 2011 and/or June 30, 2012 (depending on the school audited) for the 42 schools included herein. It also provides the audit opinion regarding the schools’ financial statements:

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2011**

The Condensed Annual Financial Report and Total Cash and Investments as of June 30, 2011 for one of the 42 schools reported herein is:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>South Region Office Center</u>									
0921	Neva King Cooper Educational Center	\$ 14,562.54	\$ 18,230.41	\$ 21,134.80	\$ 11,658.15	\$ 6,086.81	\$ 5,571.34	\$ -	\$ 11,658.15
<b>TOTALS</b>		\$ 14,562.54	\$ 18,230.41	\$ 21,134.80	\$ 11,658.15	\$ 6,086.81	\$ 5,571.34	\$ -	\$ 11,658.15

Note: Only one of 42 schools is reporting financial information related to a two-year audit period.

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

The Condensed Annual Financial Reports and Total Cash and Investments as of June 30, 2012 for the 42 schools reported herein are:

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
<u>Education Transformation Office (ETO) Schools</u>									
1441	Paul Laurence Dunbar K-8 Center	\$ 15,835.96	\$ 24,712.09	\$ 27,235.52	\$ 13,312.53	\$ 1,558.13	\$ 11,754.40	\$ -	\$ 13,312.53
3781	Barbara Hawkins Elementary	16,786.53	34,703.05	34,419.00	17,070.58	9,308.97	7,761.61	-	17,070.58
4401	Kelsey L. Pharr Elementary	9,810.58	7,213.54	7,588.44	9,435.68	4,440.70	4,994.98	-	9,435.68
6011	Allapattah Middle	31,586.83	47,892.12	53,600.86	25,878.09	4,677.12	21,200.97	-	25,878.09
7231	Miami Carol City Senior	195,469.21	403,370.12	439,763.53	159,075.80	4,406.99	154,668.81	-	159,075.80
7301	Miami Edison Senior	5,387.12	245,473.37	206,881.76	43,978.73	42,958.92	1,019.81	-	43,978.73
7381	Miami Norland Senior	93,511.38	418,155.75	367,449.49	144,217.64	39,648.73	104,568.91	-	144,217.64
<u>North Region Office Schools</u>									
1161	Crestview Elementary	12,750.65	55,108.78	57,612.95	10,246.48	2,763.29	7,483.19	-	10,246.48
1481	John G. Dupuis Elementary	29,321.69	131,093.87	131,971.41	28,444.15	10,295.03	18,149.12	-	28,444.15
1521	Amelia Earhart Elementary	15,474.71	83,999.47	84,396.26	15,077.92	2,883.60	12,194.32	-	15,077.92
2081	Fulford Elementary	13,676.31	30,367.14	31,218.49	12,824.96	6,261.92	6,563.04	-	12,824.96

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
2181	Joella C. Good Elementary	14,309.26	285,717.12	288,899.10	11,127.28	2,999.34	8,127.94	-	11,127.28
0091	Bob Graham Education Center	68,916.62	433,510.54	457,989.71	44,437.45	18,486.03	25,951.42	-	44,437.45
5051	Ernest R Graham K-8 Center	30,105.90	305,203.39	301,563.49	33,745.80	15,429.87	18,315.93	-	33,745.80
2281	Greynolds Park Elementary	22,697.70	162,183.76	161,888.57	22,992.89	10,387.74	12,605.15	-	22,992.89
2111	Hialeah Gardens Elementary	17,868.61	340,014.16	344,780.01	13,102.76	6,004.53	7,098.23	-	13,102.76
2911	Linda Lentin K-8 Center	17,633.48	88,311.21	88,262.45	17,682.24	13,572.64	4,109.60	-	17,682.24
3281	Miami Lakes K-8 Center	12,578.54	156,347.16	157,457.94	11,467.76	5,005.32	6,462.44	-	11,467.76
3421	M. A. Milam K-8 Center	9,938.71	120,837.25	118,842.88	11,933.08	3,471.88	8,461.20	-	11,933.08
3581	Myrtle Grove K-8 Center	11,808.38	31,218.25	34,752.81	8,273.82	2,008.78	6,265.04	-	8,273.82
3661	Natural Bridge Elementary	6,539.49	59,670.00	57,973.94	8,235.55	4,382.57	3,852.98	-	8,235.55
3701	Norland Elementary	13,386.67	52,394.56	54,217.36	11,563.87	7,942.15	3,621.72	-	11,563.87
3861	North Glade Elementary	26,693.95	9,712.60	11,882.98	24,523.57	10,265.28	14,258.29	-	24,523.57
3901	North Hialeah Elementary	12,273.17	22,554.82	23,527.76	11,300.23	5,682.59	5,617.64	-	11,300.23
3981	North Twin Lakes Elementary	20,638.40	138,341.26	138,245.69	20,733.97	15,494.70	5,239.27	-	20,733.97



**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
4241	Palm Lakes Elementary	13,991.94	62,123.55	62,368.11	13,747.38	8,540.01	5,207.37	-	13,747.38
4281	Palm Springs North Elementary	22,411.13	380,030.12	377,067.07	25,374.18	3,412.30	21,961.88	-	25,374.18
4541	Rainbow Park Elementary	11,658.44	34,044.02	33,470.59	12,231.87	10,798.60	1,433.27	-	12,231.87
5141	Hubert O. Sibley K-8 Center	14,856.08	34,456.77	36,046.22	13,266.63	6,202.60	7,064.03	-	13,266.63
2191	Spanish Lake Elementary	33,032.33	67,486.22	77,582.82	22,935.73	8,791.32	14,144.41	-	22,935.73
6161	Lawton Chiles Middle	36,006.95	42,630.31	53,491.33	25,145.93	2,915.18	22,230.75	-	25,145.93
6611	Country Club Middle	43,139.49	108,475.12	106,347.97	45,266.64	24,366.48	20,900.16	-	45,266.64
6751	Hialeah Gardens Middle	30,518.63	170,709.89	167,681.49	33,547.03	33,040.27	506.76	-	33,547.03
6351	Lake Stevens Middle	31,674.71	73,384.89	84,399.34	20,660.26	4,785.47	15,874.79	-	20,660.26
6681	Palm Springs Middle	56,584.91	113,596.97	114,227.33	55,954.55	22,571.70	33,382.85	-	55,954.55
7751	Barbara Goleman Senior	188,164.25	558,224.55	521,211.16	225,177.64	29,047.43	196,130.21	-	225,177.64
7201	Miami Beach Senior	271,336.78	495,690.62	513,595.70	253,431.70	8,455.78	244,975.92	-	253,431.70
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	85,728.22	537,379.36	529,337.74	93,769.84	32,779.54	60,990.30	-	93,769.84

**CONDENSED ANNUAL FINANCIAL REPORTS  
AND TOTAL CASH AND INVESTMENTS AS OF JUNE 30, 2012**

Work Loc. No.	Schools	Beginning Balance	Receipts	Disbursements	End Balance	Cash	Investments		Total Cash and Investments
							Money Market Pool Fund	Other	
7049	Westland Hialeah Senior	123,883.27	424,972.09	413,278.33	135,577.03	89,708.80	45,868.23	-	135,577.03
8151	Robert Renick Educational Center	18,197.47	34,498.30	32,926.53	19,769.24	3,212.42	16,556.82	-	19,769.24
<u>South Region Office Center</u>									
0921	Neva King Cooper Educational Center	11,658.15	15,470.87	17,440.23	9,688.79	4,089.05	5,599.74	-	9,688.79
<u>Adult Education Center</u>									
8139	D. A. Dorsey Educational Center	141,131.67	363,527.29	381,840.49	122,818.47	15,797.49	107,020.98	-	122,818.47
<b>TOTALS</b>		<b>\$ 1,858,974.27</b>	<b>\$ 7,204,806.32</b>	<b>\$ 7,204,734.85</b>	<b>\$ 1,859,045.74</b>	<b>\$ 558,851.26</b>	<b>\$ 1,300,194.48</b>	<b>\$ -</b>	<b>\$ 1,859,045.74</b>

## AUDIT OPINION

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

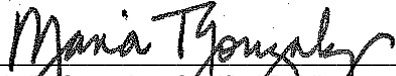
*Notwithstanding the conditions and findings reported herein*, for 41 of 42 schools, the financial statements present fairly, in all material respects, the changes in fund balances arising from the cash transactions of the schools during the 2010-2011 and/or 2011-2012 fiscal year, on the cash basis of accounting, depending on the school audited. At Paul Laurence Dunbar K-8 Center, except for the activity recorded in the Trust Fund, as further explained in pages 28-30 of this report, which disclosed inadequate controls over the collecting, receipting and depositing of funds arising from field trip activities, and which precluded us from verifying the accuracy of the monies collected by the school for field trip activities during the period under audit; the financial statement of the internal funds of the school otherwise presents fairly, in all material respects, the changes in fund balances arising from cash transactions during the 2011-2012 fiscal year, on the cash basis of accounting.

*As of June 30, 2011*, for one of the 42 schools reported herein, total combined receipts and disbursements amounted to \$18,230.41 and \$21,134.80, respectively; while total combined cash and investments amounted to \$11,658.15 (Page 6).

*As of June 30, 2012*, for all 42 schools reported herein, total combined receipts and disbursements amounted to \$7,204,806.32 and \$7,204,734.85, respectively; while total combined cash and investments amounted to \$1,859,045.74 (Pages 7-10).

*As of June 30, 2011 and/or June 30, 2012*, the internal control structure at all schools reported herein generally functioned as designed by the District and implemented by the school administration, except for those conditions reported herein and in the audit reports of 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 three schools reported herein **with audit exceptions** are listed as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Education Transformation Office (ETO) Schools</u>							
Paul Laurence Dunbar K-8 Center		✓			✓		Likely to impact
Barbara Hawkins Elementary		✓			✓		Likely to impact
Kelsey L. Pharr Elementary		✓			✓		Likely to impact

## INTERNAL CONTROLS RATING

The internal control ratings for the remaining 39 schools reported herein **without audit exceptions** are depicted as follows:

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
<u>Education Transformation Office (ETO) Schools</u>							
Allapattah Middle	✓			✓			Not Likely to impact
Miami Carol City Senior	✓			✓			Not Likely to impact
Miami Edison Senior	✓			✓			Not Likely to impact
Miami Norland Senior	✓			✓			Not Likely to impact
<u>North Region Office Schools</u>							
Crestview Elementary	✓			✓			Not Likely to impact
John G. Dupuis Elementary	✓			✓			Not Likely to impact
Amelia Earhart Elementary	✓			✓			Not Likely to impact
Fulford Elementary	✓			✓			Not Likely to impact
Joella C. Good Elementary	✓			✓			Not Likely to impact
Bob Graham Education Center	✓			✓			Not Likely to impact
Ernest R Graham K-8 Center	✓			✓			Not Likely to impact
Greynolds Park Elementary	✓			✓			Not Likely to impact
Hialeah Gardens Elementary	✓			✓			Not Likely to impact
Linda Lentin K-8 Center	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Miami Lakes K-8 Center	✓			✓			Not Likely to impact
M. A. Milam K-8 Center	✓			✓			Not Likely to impact
Myrtle Grove K-8 Center	✓			✓			Not Likely to impact
Natural Bridge Elementary	✓			✓			Not Likely to impact
Norland Elementary	✓			✓			Not Likely to impact
North Glade Elementary	✓			✓			Not Likely to impact
North Hialeah Elementary	✓			✓			Not Likely to impact
North Twin Lakes Elementary	✓			✓			Not Likely to impact
Palm Lakes Elementary	✓			✓			Not Likely to impact
Palm Springs North Elementary	✓			✓			Not Likely to impact
Rainbow Park Elementary	✓			✓			Not Likely to impact
Hubert O. Sibley K-8 Center	✓			✓			Not Likely to impact
Spanish Lake Elementary	✓			✓			Not Likely to impact
Lawton Chiles Middle	✓			✓			Not Likely to impact
Country Club Middle	✓			✓			Not Likely to impact
Hialeah Gardens Middle	✓			✓			Not Likely to impact
Lake Stevens Middle	✓			✓			Not Likely to impact
Palm Springs Middle	✓			✓			Not Likely to impact

## INTERNAL CONTROLS RATING

SCHOOLS	PROCESS & IT CONTROLS			POLICY & PROCEDURES COMPLIANCE			EFFECT
	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE	
Barbara Goleman Senior	✓			✓			Not Likely to impact
Miami Beach Senior	✓			✓			Not Likely to impact
Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	✓			✓			Not Likely to impact
Westland Hialeah Senior	✓			✓			Not Likely to impact
Robert Renick Educational Center	✓			✓			Not Likely to impact
<u>South Region Office Center</u>							
Neva King Cooper Educational Center	✓			✓			Not Likely to impact
<u>Adult Education Center</u>							
D. A. Dorsey Educational Center	✓			✓			Not Likely to impact

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

Summary of findings of the three 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>Educational Transformation Office (ETO) Schools</u>					
1441	Paul Laurence Dunbar K-8 Center	1	▪ Field Trip Collections	None	
3781	Barbara Hawkins Elementary	1	▪ Grants/Disbursements	None	
4401	Kelsey L. Pharr Elementary	1	▪ Property	None	
TOTAL		3		None	



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

Summary of findings of the remaining 39 schools reported herein **without 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>Education Transformation Office (ETO) Schools</u>					
6011	Allapattah Middle	None		None	
7231	Miami Carol City Senior	None		None	
7301	Miami Edison Senior	None		7	<ul style="list-style-type: none"> <li>▪ Misappropriation of funds</li> <li>▪ Athletic Fund/Tickets</li> <li>▪ School Sponsored Activities</li> <li>▪ Yearbook</li> <li>▪ Special Purpose Acct.</li> <li>▪ FTE-ELL</li> <li>▪ FTE-OJT</li> </ul>
7381	Miami Norland Senior	None		5	<ul style="list-style-type: none"> <li>▪ Misappropriation of funds</li> <li>▪ Athletic Fund Activity</li> <li>▪ Receipts/Disb.</li> <li>▪ Yearbook</li> <li>▪ FTE-ELL</li> </ul>
<u>North Region Office Schools</u>					
1161	Crestview Elementary	None		None	
1481	John G. Dupuis Elementary	None		None	
1521	Amelia Earhart Elementary	None		None	
2081	Fulford Elementary	None		None	
2181	Joella C. Good Elementary	None		None	
0091	Bob Graham Education Center	None		None	

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

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
5051	Ernest R Graham K-8 Center	None		None	
2281	Greynolds Park Elementary	None		None	
2111	Hialeah Gardens Elementary	None		None	
2911	Linda Lentin K-8 Center	None		None	
3281	Miami Lakes K-8 Center	None		None	
3421	M. A. Milam K-8 Center	None		1	▪ FTE-ELL
3581	Myrtle Grove K-8 Center	None		None	
3661	Natural Bridge Elementary	None		None	
3701	Norland Elementary	None		1	▪ FTE-ELL
3861	North Glade Elementary	None		None	
3901	North Hialeah Elementary	None		1	▪ Disbursements
3981	North Twin Lakes Elementary	None		None	
4241	Palm Lakes Elementary	None		None	
4281	Palm Springs North Elementary	None		None	
4541	Rainbow Park Elementary	None		None	
5141	Hubert O. Sibley K-8 Center	None		None	
2191	Spanish Lake Elementary	None		None	
6161	Lawton Chiles Middle	None		None	

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

WORK LOC. NO.	SCHOOLS	CURRENT YEAR FINDINGS		PRIOR YEAR FINDINGS	
		Total per School	Area Of Findings	Total per School	Area Of Findings
6611	Country Club Middle	None		None	
6751	Hialeah Gardens Middle	None		None	
6351	Lake Stevens Middle	None		None	
6681	Palm Springs Middle	None		None	
7751	Barbara Goleman Senior	None		None	
7201	Miami Beach Senior	None		None	
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	None		None	
7049	Westland Hialeah Senior	None		None	
8151	Robert Renick Educational Center	None		None	
<u>South Region Office Center</u>					
0921	Neva King Cooper Educational Center	None		None	
<u>Adult Education Center</u>					
8139	D. A. Dorsey Educational Center	None		5	<ul style="list-style-type: none"> <li>▪ Bookkeeping Function</li> <li>▪ Disbursements</li> <li>▪ Bookstore</li> <li>▪ P-Card</li> <li>▪ Property</li> </ul>
TOTAL		None		20	

## LIST OF SCHOOL PRINCIPALS

Listed below are the names of the former and current principals, as applicable for the three schools **with audit exceptions**. The highlighted box denotes the principal in charge of the school during the audit period:

Work Loc. No.	Schools	Current Principal	Former Principal
<u>Education Transformation Office (ETO) Schools</u>			
1441	Paul Laurence Dunbar K-8 Center	Ms. Ann M. Lewis	N/A = No Change of Principal Since Prior Audit.
3781	Barbara Hawkins Elementary	Ms. Rhonda Y. Williams	N/A = No Change of Principal Since Prior Audit.
4401	Kelsey L. Pharr Elementary	Dr. Yvonne D. Perry	N/A = No Change of Principal Since Prior Audit.

## LIST OF SCHOOL PRINCIPALS

Listed below are the names of the former and current principals, as applicable for the remaining 39 schools **without audit exceptions**. **The highlighted box denotes the principal in charge of the school during the audit period:**

Work Loc. No.	Schools	Current Principal	Former Principal
<u>Educational Transformation Office (ETO) Schools</u>			
6011	Allapattah Middle <sup>(a)</sup>	Ms. Bridget L. McKinney	Mr. Humberto J. Miret (Through July 2012; presently Principal at Shenandoah Middle).
7231	Miami Carol City Senior	Mr. Jamarv R. Dunn	N/A = No Change of Principal Since Prior Audit.
7301	Miami Edison Senior <sup>(a)</sup>	Ms. Trynegwa K. Diggs	Dr. Pablo G. Ortiz (Through July 2012; presently Assistant Superintendent, Education Transformation Office).
7381	Miami Norland Senior <sup>(a)</sup>	Mr. Reginald E. Lee	Mr. Luis B. Solano (Through November 2012; resigned).
<u>North Region Office Schools</u>			
1161	Crestview Elementary	Ms. Sabrina J. Montilla	N/A = No Change of Principal Since Prior Audit.
1481	John G. Dupuis Elementary	Ms. Claudine Winsor	N/A = No Change of Principal Since Prior Audit.
1521	Amelia Earhart Elementary	Ms. Lisa K. Wiggins	N/A = No Change of Principal Since Prior Audit.
2081	Fulford Elementary	Dr. Jean E. Teal	N/A = No Change of Principal Since Prior Audit.
2181	Joella C. Good Elementary	Ms. Lizette G. O'Halloran	N/A = No Change of Principal Since Prior Audit.
0091	Bob Graham Education Center	Dr. Robin P. Behrman	N/A = No Change of Principal Since Prior Audit.
5051	Ernest R Graham K-8 Center	Ms. Mayra Alfaro	N/A = No Change of Principal Since Prior Audit.
2281	Greynolds Park Elementary	Mr. Jorge Mazon	N/A = No Change of Principal Since Prior Audit.
2111	Hialeah Gardens Elementary	Mr. Rouben J. Yaghdjian	N/A = No Change of Principal Since Prior Audit.

Note:

(a) Change of Principal since prior audit at this school (six schools).

## LIST OF SCHOOL PRINCIPALS

Work Loc. No.	Schools	Current Principal	Former Principal
2911	Linda Lentin K-8 Center	Ms. Agenoria T. Powell	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.
3421	M. A. Milam K-8 Center	Ms. Anna M. Hernandez	N/A = No Change of Principal Since Prior Audit.
3581	Myrtle Grove K-8 Center	Mr. John D. Pace	N/A = No Change of Principal Since Prior Audit.
3661	Natural Bridge Elementary	Mr. Frank V. MacBride, Jr.	N/A = No Change of Principal Since Prior Audit.
3701	Norland Elementary	Ms. Karen S. Powers	N/A = No Change of Principal Since Prior Audit.
3861	North Glade Elementary	Dr. Thomas W. Frederick	N/A = No Change of Principal Since Prior Audit.
3901	North Hialeah Elementary	Mr. John Messersmith	N/A = No Change of Principal Since Prior Audit.
3981	North Twin Lakes Elementary	Ms. Richelle T. Lumpkin	N/A = No Change of Principal Since Prior Audit.
4241	Palm Lakes Elementary	Ms. Alina Q. Iglesias	N/A = No Change of Principal Since Prior Audit.
4281	Palm Springs North Elementary	Ms. Maribel B. Dotres	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.
5141	Hubert O. Sibley K-8 Center	Mr. Michael J. Charlot	N/A = No Change of Principal Since Prior Audit.
2191	Spanish Lake Elementary	Ms. Jacqueline Arias-Gonzalez	N/A = No Change of Principal Since Prior Audit.
6161	Lawton Chiles Middle	Mr. Nelson Izquierdo	N/A = No Change of Principal Since Prior Audit.
6611	Country Club Middle	Mr. Jose R. Fernandez	N/A = No Change of Principal Since Prior Audit.
6751	Hialeah Gardens Middle	Ms. Maritza D. Jimenez	N/A = No Change of Principal Since Prior Audit.
6351	Lake Stevens Middle	Dr. Mark Soffian	N/A = No Change of Principal Since Prior Audit.

## LIST OF SCHOOL PRINCIPALS

Work Loc. No.	Schools	Current Principal	Former Principal
6681	Palm Springs Middle	Mr. Eric Acosta	N/A = No Change of Principal Since Prior Audit.
7751	Barbara Goleman Senior	Mr. Joaquin P. Hernandez	N/A = No Change of Principal Since Prior Audit.
7201	Miami Beach Senior <sup>(a)</sup>	Mr. John J. Donohue (Temporary)	Dr. Rosann P. Sidener (Through June 2012; presently Principal on leave).
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	Ms. Sally J. Alayon	N/A = No Change of Principal Since Prior Audit.
7049	Westland Hialeah Senior	Mr. Guillermo A. Muñoz	N/A = No Change of Principal Since Prior Audit.
8151	Robert Renick Educational Center	Ms. Paulette Covin-Fredrik	N/A = No Change of Principal Since Prior Audit.
<u>South Region Office Center</u>			
0921	Neva King Cooper Educational Center <sup>(a)</sup>	Dr. Tracy E. Roos	Dr. Alberto T. Fernandez (Through May 2012; presently Principal on Alternative Assignment).
<u>Alternative Education Center</u>			
8139	D. A. Dorsey Educational Center <sup>(a)</sup>	Dr. Angela E. Thomas-DuPree	Ms. Gloria F. Evans (Through June 2012; retired).

Note:

(a) Change of Principal since prior audit at this school (six schools).

## PROPERTY SCHEDULES

The results of the property inventories of the 58 schools reported herein are as follows:

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value (At Cost)
				No. Of Items	At Cost	At Deprec. Value		
<u>Education Transformation Office Schools</u>								
1441	Paul Laurence Dunbar K-8 Center	138	\$ 294,240	-	-	-	-	-
3781	Barbara Hawkins Elementary	66	203,230	-	-	-	-	-
4401	Kelsey L. Pharr Elementary	66	139,192	12	\$ 18,897	\$ 666	-	-
6011	Allapattah Middle	207	693,300	-	-	-	-	-
7231	Miami Carol City Senior	862	2,840,039	-	-	-	7	\$ 11,692
7301	Miami Edison Senior	811	1,725,535	-	-	-	-	-
7381	Miami Norland Senior	297	831,754	-	-	-	4	7,208
<u>North Region Office Schools</u>								
0461	Brentwood Elementary <sup>(a)</sup>	300	569,723	-	-	-	-	-
1161	Crestview Elementary	138	322,681	-	-	-	-	-
1481	John G. Dupuis Elementary	132	360,992	-	-	-	-	-
1521	Amelia Earhart Elementary	148	335,385	-	-	-	-	-
2081	Fulford Elementary	85	221,413	-	-	-	-	-
2181	Joella C. Good Elementary	235	455,363	-	-	-	-	-
0091	Bob Graham Education Center	245	590,110	-	-	-	-	-
5051	Ernest R Graham K-8 Center	283	611,320	-	-	-	-	-
2281	Greynolds Park Elementary	237	487,322	-	-	-	-	-
2111	Hialeah Gardens Elementary	110	278,496	-	-	-	-	-
2801	Lake Stevens Elementary <sup>(a)</sup>	57	174,828	-	-	-	-	-
2911	Linda Lentin K-8 Center	266	583,703	-	-	-	-	-
3281	Miami Lakes K-8 Center	237	674,806	-	-	-	-	-

Note:

(a) Property inventory results pending since school audit reported earlier this fiscal year (16 schools).



## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value (At Cost)
				No. Of Items	At Cost	At Deprec. Value		
3421	M. A. Milam K-8 Center	237	530,485	-	-	-	-	-
3581	Myrtle Grove K-8 Center	107	244,858	-	-	-	-	-
3661	Natural Bridge Elementary	184	360,083	-	-	-	-	-
3701	Norland Elementary	364	566,890	-	-	-	-	-
3861	North Glade Elementary	92	209,552	1	1,004	667	-	-
3901	North Hialeah Elementary	86	297,913	-	-	-	-	-
3981	North Twin Lakes Elementary	168	396,573	-	-	-	-	-
4241	Palm Lakes Elementary	154	313,906	-	-	-	-	-
4281	Palm Springs North Elementary	152	484,519	-	-	-	-	-
4301	Parkview Elementary <sup>(a)</sup>	49	156,751	-	-	-	-	-
4541	Rainbow Park Elementary	100	222,076	-	-	-	-	-
5141	Hubert O. Sibley K-8 Center	118	273,852	-	-	-	-	-
4881	Scott Lake Elementary <sup>(a)</sup>	145	269,206	-	-	-	-	-
2191	Spanish Lake Elementary	96	420,696	-	-	-	-	-
6023	Andover Middle <sup>(a)</sup>	370	907,008	-	-	-	-	-
6161	Lawton Chiles Middle	823	1,465,899	-	-	-	-	-
6611	Country Club Middle	393	893,421	-	-	-	-	-
6751	Hialeah Gardens Middle	182	767,653	-	-	-	-	-
6351	Lake Stevens Middle	277	595,192	-	-	-	-	-
6571	Norland Middle <sup>(a)</sup>	239	726,397	-	-	-	-	-
6681	Palm Springs Middle	506	1,031,098	-	-	-	-	-
7751	Barbara Goleman Senior	770	1,889,641	-	-	-	-	-
7191	Hialeah Gardens Senior <sup>(a)</sup>	608	2,060,838	-	-	-	-	-

Note:

(a) Property inventory results pending since school audit reported earlier this fiscal year (16 schools).

## PROPERTY SCHEDULES

WORK LOCATION NO.	SCHOOLS	CURRENT INVENTORY					PRIOR INVENTORY	
		Total Items	Dollar Value	Unlocated Items			No. Of Unloc. Items	Dollar Value (At Cost)
				No. Of Items	At Cost	At Deprec. Value		
7201	Miami Beach Senior	579	1,813,885	-	-	-	-	-
7048	Alonzo and Tracy Mourning Senior High Biscayne Bay Campus	295	1,108,885	-	-	-	-	-
7049	Westland Hialeah Senior	399	1,349,600	-	-	-	-	-
8151	Robert Renick Educational Center	219	494,258	4	6,323	-	-	-
<u>South Region Office Center</u>								
0921	Neva King Cooper Educational Center	99	266,233	-	-	-	-	-
<u>Adult Education Centers</u>								
7272	Miami Coral Park Adult Center <sup>(a)</sup>	130	272,880	-	-	-	-	-
8139	D. A. Dorsey Educational Center	164	547,263	-	-	-	5	10,845
<u>Central Region Office Schools</u>								
0111	Maya Angelou Elementary <sup>(a)</sup>	188	318,442	-	-	-	-	-
0121	Auburndale Elementary <sup>(a)</sup>	175	389,576	-	-	-	-	-
0721	George Washington Carver Elementary <sup>(a)</sup>	175	247,364	-	-	-	-	-
1881	Henry Flagler Elementary <sup>(a)</sup>	126	277,506	-	-	-	-	-
4681	Riverside Elementary <sup>(a)</sup>	74	238,270	-	-	-	-	-
6071	George Washington Carver Middle <sup>(a)</sup>	224	522,791	-	-	-	-	-
6881	South Miami Middle <sup>(a)</sup>	270	638,388	-	-	-	-	-
7901	New World School Of The Arts Sr. <sup>(a)</sup>	154	344,079	-	-	-	-	-
<b>TOTAL</b>		<b>14,411</b>	<b>\$36,307,359</b>	<b>17</b>	<b>\$ 26,224</b>	<b>\$ 1,333</b>	<b>16</b>	<b>\$ 29,745</b>

Note:

(a) Property inventory results pending since school audit reported earlier this fiscal year (16 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 <sup>(a)</sup>	Other <sup>(b)</sup>	
<u>Education Transformation Office (ETO) School</u>								
7231	Miami Carol City Senior	1	5	\$ 8,560	-	-	\$ 8,560	\$ 5,520
<u>North Region Office Schools</u>								
3281	Miami Lakes K-8 Center	1	1	1,249	\$ 1,249	-	-	-
6161	Lawton Chiles Middle	1	1	1,359	1,359	-	-	-
6611	Country Club Middle	1	1	1,249	1,249	-	-	-
6571	Norland Middle <sup>(c)</sup>	1	2	4,550	-	\$ 4,550	-	-
7049	Westland Hialeah Senior	4	6	10,982	6,488	4,494	-	2,247
8151	Robert Renick Educational Center	1	1	1,099	1,099	-	-	-
<u>Adult Education Center</u>								
8139	D. A. Dorsey Educational Center	1	2	2,301	-	-	2,301	658
<u>Central Region Office School</u>								
0121	Auburndale Elementary <sup>(c)</sup>	1	2	2,680	2,680	-	-	-
<b>TOTAL</b>		<b>12</b>	<b>21</b>	<b>\$ 34,029</b>	<b>\$ 14,124</b>	<b>\$ 9,044</b>	<b>\$ 10,861</b>	<b>\$ 8,425</b>

**Notes:**

- (a) "Audio Visual" equipment includes several cameras and a projector.
- (b) "Other" equipment includes musical instruments and medical training equipment.
- (c) Property inventory results pending since school audit reported earlier this fiscal year (2 of 16 schools from this group reported Plant Security Reports).

## **FINDINGS AND RECOMMENDATIONS**

### **1. Inadequate Controls Over The Collecting, Receipting, And Depositing Of Funds Associated With Field Trip Activities *Paul Laurence Dunbar K-8 Center***

Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* provide the guidelines over the collecting, receipting and depositing of monies generated from Internal Fund activities. Pursuant to guidelines in Section II, Chapter 2 of the *Manual of Internal Fund Accounting*, individual collections of \$15 or more require the issuance of an official receipt *at the point of collection*. In those cases where an official receipt book is used, staff must staple the computer-generated receipt produced by the automated system to the copy of the last receipt in the book that corresponds to the collection submitted. Furthermore, *money collected by school employees, regardless of the amount, must be submitted to the school treasurer, or back-up designee, on the same day collected. Collectors are not allowed to take this money home or away from the school premises for safeguarding.*

Regarding the general procedures over the deposit of collections, the Office of the Controller published an updated *Policies and Procedures for Safeguarding Funds at the Schools* via *Weekly Briefing No. 5164*, dated November 6, 2008, to address the safeguarding and timelines for the deposit of funds. Pursuant to the procedures, in cases where the school does not engage the armored car service, (as in the case of this school), *monies collected must be deposited in the bank once collections exceed \$300. It is also required that at a minimum, a deposit must be made on the last working day of the week and on the last working day of the month, regardless of the amounts collected.*

Furthermore, procedures in Section IV, Chapter 1 of the *Manual* and in the *Field Trip Procedures Handbook* require that the school complete the Field Trip Request Packet [FM-2431]. This document and ancillary documentation provide field trip-related information such as: date and destination of the fieldtrip; number of participating students; individual cost to each student; means of funding; transportation information; list of names of the participants (including chaperones); and the approvals of school site, region and district administrations (approval levels will vary depending on the type of trip planned). Procedures also require that these documents and any auxiliary records be filed with the internal fund records of the school.

During the 2011-2012 fiscal year, the school conducted six field trips for which admission fees totaling approximately \$9,800 were collected and posted to the accounts. The largest of the six was an out-of-county field trip to a park in Orlando,

Florida. The remaining were trips to mostly local venues for which admission fees were less than \$15 per student.

Results of our initial tests required a thorough review of the processes and controls over the safeguarding, depositing and receipting of the collections associated with these field trips.

Our review of four of the six field trips disclosed that the processes and controls over field trip collections were not working as designed, as we found that collections under the care of the teachers and the treasurer were not readily receipted and remained undeposited at the school for periods of time considered excessive. Based on the records provided, which were incomplete, and some not dated, we noted delays in the remittance of collections that ranged up to 14 days. Furthermore, the treasurer did not maintain a proper accounting of those collections that remained in her custody pending recording and deposit.

We extended our test to a field trip conducted during the 2012-2013 fiscal year. Although we noted some improvement in the documentation supporting these collections (when compared to the prior year), deviations from the procedures established to collect, receipt and timely deposit collections continued to occur.

Details are as follows:

- 1.1. Regarding the process for collecting the funds for the out-of-county field trip, the treasurer was responsible for collecting the admission fee from the students. The total amount collected for this trip was approximately \$4,300. According to the treasurer, she accepted partial payments from the students and *would not issue receipts to the students until the full amount was received*. We were unable to determine the propriety of the collections for this field trip and the actual delays, since she did not maintain a log or a detailed accounting of payments received from the students that remained in her custody pending recording and deposit.
- 1.2. For the in-county field trips, the teachers were responsible for collecting the admission fees from the students. Collections would remain under the custody of the teachers until the field trip sponsor would come by the classrooms to pick up the collections and turn them over to treasurer for deposit. Teachers contacted could not provide official receipts documenting the remittance of funds to the sponsor or the treasurer as those receipts were never issued.
- 1.3. Deposits corresponding to the field trips tested were not properly documented. Not all teachers maintained copies of the Recaps of Collections or records to verify the accuracy of amounts collected and deposited; and those Recaps provided by some of the teachers or found among other records during the audit were incomplete. In addition, some of the Recaps filed with the deposit packages

did not list the names of those students responsible for payment; only the total amount tendered. Further, our review of official receipts filed with some of these deposits disclosed inaccuracies regarding the names of the participating students that paid and the form of payment tendered.

- 1.4. The school did not have all Field Trip Request Packets on file and some of the forms were incomplete. For both the 2011-2012 and 2012-2013 fiscal years up to December 2012, some of the Field Trip Request Packets [FM-2431] corresponding to the activities reviewed were either not on file or were missing the signature of the Principal.
- 1.5. Our review of the official receipt books used by the school during the 2011-2012 fiscal year disclosed some instances where staff had not stapled the computer-generated receipt produced by the system to the copy of the last receipt in the book (that corresponds to the collection submitted) to clearly identify its recording in the automated system.

## **RECOMMENDATIONS**

- 1.1. **Discuss collecting, receipting and depositing procedures with the entire school staff for understanding and awareness of the requirements and enforce the procedures.**
- 1.2. **Assign an employee to verify the collections in addition to the treasurer.**
- 1.3. **Strengthen the review and oversight of receipting/depositing activities to ensure that monies are timely receipted, deposited, properly recorded and safeguarded.**
- 1.4. **Ensure that all field trip documentation associated with field trips conducted during the year (including properly approved Field Trip Request Packets and ancillary documentation) is filed as part of the internal fund records of the school.**
- 1.5. **Ensure that the receipt produced by the automated system is stapled to the last receipt in the official receipt book that corresponds to the collection submitted.**

**Person(s) Responsible:**

**Principal, Assistant Principal,  
Treasurer, Elementary Assistant**

**Management Response:**

The Principal met with the Treasurer and the Assistant Principal on February 7, 2013 to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting which establishes the procedures for collecting and depositing monies generated from internal fund activities; and reviewed the guidelines on individual collection of \$15 or more which requires a receipt be issued at the point of collection. The Assistant Principal will be assigned to verify, biweekly that the required documentation is attached to the receipt book as outlined in the Manual of Internal Fund Accounting before deposits are posted or processed.

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

The Principal met with the Treasurer on February 7, 2013 to review the policies and procedures for posting receipts to confirm that all the computer-generated receipts produced by the automated system are stapled to the Receipt Book and correspond to the amounts received and deposited in the bank.

The Principal will conduct a faculty meeting on February 20, 2013 to review the procedure for timely collection of funds and deposits, receipt of monies and to conference with responsible staff as to authenticate the accuracy of collections and verification of deposits.

The Elementary Assistant has been assigned as the back-up designee and the Principal will review the Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting *and* *Weekly Briefing #5164* to include a system of checks and balances including mini in-house reviews.

The Principal reviewed on February 7, 2013 the procedures in Section IV, Chapter 1 of the Manual of Internal Fund Accounting and Field Trip Procedures Handbook with the Treasurer who will retain, record and file all documents pertaining to Field Trips.

The Principal and Assistant Principal will check/review all Internal Funds records monthly.

**Person(s) Responsible:**

**ETO Administration**

**Management Response:**

The ETO Office Regional Administrative Director has instructed the Principal to thoroughly review with the staff Section II, Chapters 2 and 3 of the *Manual of Internal Fund Accounting* and the Field Trip Procedures Handbook to ensure proper safeguarding of schools' funds as it pertains to the receipt and deposit of funds from field trip activities.



**2. Earmarked Grant Funds  
Commingled, Not Spent  
According To Timelines,  
And Expenditures  
Non-Compliant With  
Internal Fund Guidelines  
Barbara Hawkins Elementary**

According to Section III, Chapter 4 of the *Manual of Internal Fund Accounting*, monies placed in Trust Fund accounts (such as designated grants and donations) shall be expended only for the purpose for which they are collected and received, unless the donor/grantor designates an alternative purpose *in writing*. In addition, grants and donations earmarked for specific purposes must be placed in separate Trust Fund accounts to avoid the commingling of funds and provide a clear accountability of their use. Additionally, the spending of these funds must comply with the grantor's reporting guidelines and timelines.

2.1. During the 2011-2012 fiscal year, this school received three grants from different grantors totaling \$8,600; however, all receipts were posted to the same account, although they were earmarked for different activities. Two of these grants were to implement initiatives related to improving health and physical activities of faculty and students, while the other grant was designated to be used for field trip-related activities. Because all funds were posted to one account, the associated expenditures were similarly charged to the account and commingled.

Initially, this account carried a balance of \$4,090 from the previous year's grants received by the school but not fully spent by year-end. The account's breakdown as of June 30, 2012 for each of the three grants is as follows:

Grants*	Beginning Balance July 1, 2011 (Carryover From 2010-2011)	Received In 2011-2012	Funds Available During 2011- 2012	Funds Spent As Of June 30, 2012	Carryover Balance (June 30, 2012)
Grant No. 1	\$ 2,651	\$ 2,900	\$ 5,551	\$ 3,489	\$ 2,062
Grant No. 2	156	700	856	1,054	(198)
Grant No. 3	1,283	5,000	6,283	2,427	3,856
Totals	\$ 4,090	\$ 8,600	\$ 12,690	\$ 6,970	\$ 5,720

\*Grant No. 1 and Grant No. 3 were earmarked to implement initiatives related to improving health and physical activities. Grant No. 2 was earmarked for field trip-related activities.

2.2. Our review of the related expenditures disclosed that the school had overspent grant funds related to field trip activities by \$198; had not spent all funds in accordance with amounts stipulated in the grants' budget categories; and in the

case of the two largest grants, had not reported to the grantor that not all the funds had been spent by the grantors' deadlines. At June 30, 2012, the account carried an aggregate unspent balance of \$5,720.

During the 2012-2013 fiscal year up to December 2012, the school spent \$3,677 of these funds and received \$3,000 from one of the grantors. Some of these purchases were made subsequent to the audit visit. After all disbursements were made, the account had a balance of \$5,043.

According to Section IV, Chapter 14 of the *Manual of Internal Fund Accounting* and School Board Policy 6680 *Awards and Incentives*, all monetary awards and non-monetary awards *exceeding \$100* require the approval of the School Board. Furthermore, the *Manual* has certain restrictions regarding gift certificates. It allows the purchase of certificates from moderate restaurants and from retail stores mainly offering educationally-related materials and supplies, and recommends limiting distribution to one per person. However, according to the *Manual*, the purchase of movie tickets is not an appropriate incentive to be purchased from Internal Fund revenues.

We extended our review of grant expenditures to the current year up to December 2012 and noted that the school purchased a total of 74 gift cards/certificates totaling \$1,185 that were charged to the grant account.

2.3. The denomination of the individual gift cards/certificates ranged between \$5 and \$200. These included a few certificates for movie tickets and gift cards from credit card companies of either \$100 or \$200 denomination, in addition to gift cards from restaurants (for the most part) of smaller denominations. According to the school administration, these were to give as incentives to staff and students participating in these health-related grant activities; however, the school could not provide a complimentary signed list as to how these were distributed. Furthermore, the school did not obtain School Board approval to distribute gift cards with an individual monetary value exceeding \$100.

2.4. Some of the invoices supporting the expenditures were not itemized.

Section II, Chapters 4 and 5 of the *Manual of Internal Fund Accounting* establish the policies and procedures for making disbursements. Specifically, in those instances where an individual purchase exceeds \$1,000, but is less than \$50,000, a minimum of three written quotations must be included as part of the ancillary documentation to show that the lowest bid was selected. One of these bids must be from a certified minority enterprise, according to School Board Policy 6320.02 *Minority/Women Business Enterprise Certification Procedures*. In addition and according to the procedures, a purchase order is required for individual purchases costing \$100 or more.

Our review of a sample of eight internal funds disbursements made during the 2011-2012 and 2012-2013 fiscal years up to September 2012 disclosed that:

- 2.5. In two instances, three written vendor quotations (including one from a certified minority enterprise) for purchases over \$1,000 or more (but less than \$50,000) were not on file to document the vendor's selection. For two other similar disbursements of \$1,000 or more, the school had obtained and filed three quotations; however, did not select the vendor that provided the lowest prices; and in one of these instances, none corresponded to a certified minority enterprise. Both purchases were made from the same vendor for office supplies. According to the school administration, the same vendor was selected because of excellent customer service and quality of merchandise.
- 2.6. The school was not issuing purchase orders for individual purchases of \$100 or more as required by the guidelines. We had discussed a similar condition during the prior audit.

## **RECOMMENDATIONS**

- 2.1. **Ensure that separate Trust Fund accounts are utilized to account for grants and donations earmarked for specific purposes and with different spending requirements to provide clear accountability of expenditures and timelines.**
- 2.2. **Contact the grantor(s) to request an extension for spending grant funds with expired timelines. If the grantor(s) allow(s) future use, post grants in separate Trust Fund accounts for better accountability. Otherwise, return the funds.**
- 2.3. **Ensure that disbursements of \$1,000 or more but less than \$50,000 are documented with written quotations, including one from a minority certified enterprise.**
- 2.4. **Discuss the disbursement documentation requirements with appropriate staff to ensure that purchase orders are issued and filed, written quotes are obtained as needed and applicable, itemized invoices are obtained; and complimentary signed lists of merchandise distributed to students/staff as incentives are maintained in the school files.**

**Person(s) Responsible:**

**Principal and Treasurer**

**Management Response:**

The principal has reviewed and thoroughly discussed on February 8, 2013 the internal funds audit report for the 2011-2012 school-year with the Secretary/Treasurer. A meeting was held on February 8, 2013 with the Secretary/Treasurer to review Trust Fund accounts procedures as outlined in the Manual of Internal Fund Accounting and a meeting has been set up on February 22, 2013 with the school's Internal Funds Business Manager to assist with the monitoring and separation of the individual grants, so that the grant monies may be monitored accurately.

The principal will require the treasurer to attend and be trained in March of 2013 along with the sponsor responsible for the grants to get a better understanding of the procedures and policies of the grant(s) issued to the school. The grantor has been contacted on February 8, 2013 and we are expecting the letter of approval for the continued use of grant funds beyond the allotted timeframe on or before February 22, 2013.

The principal will require the treasurer to obtain three documented quotes/bids, including one minority vendor, when an individual purchase is over \$1,000 and attach to the invoice. Once the quotes/bids have been obtained, the lowest quote/bid will be used. The treasurer will be required to maintain a log of bids submitted.

The principal has implemented corrective and preventive strategies as of February 8, 2013 to prevent reoccurrence of similar expenditures in future audits. The principal will monitor the internal fund accounts on a weekly basis by having the treasurer pull the accounts and the principal will then go on line in MSAF and monitor each Internal Account every Monday.

The principal has implemented a process as of February 8, 2013, which entails a sign off sheet of merchandise distributed to students/staff as incentives with the Trust Fund accounts utilized for grants and donations. The treasurer will be required to maintain a log of complimentary merchandise distributed to staff/students. The principal will meet with the treasurer on a bi-weekly basis to monitor this procedure.

**Person(s) Responsible:**

**ETO Administration**

**Management Response:**

The ETO Office Regional Administrative Director has instructed the Principal to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

**3. Improper Procedures For  
The Disposal Of Property  
Resulted In The Reporting  
Of “Unlocated” Property  
*Kelsey L. Pharr Elementary***

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

Section 4 of the *Manual* also establishes the guidelines for the disposition of property. Accordingly, any property items moved to another location within the school system, either temporary or permanently will be recorded on an "Outgoing Controlled Equipment" Form [FM-1670]. In regards to the disposal of equipment that is outdated, of no value or use to the school, School Board Policy 7310 *Disposition of Surplus Property* established that tangible personal property that is obsolete, uneconomical, inefficient, or that serves no useful function shall be disposed of by completing an "Outgoing Controlled Equipment" Form [FM-1670]. This form shall be used to record any request for disposition of a described item of property and to record review and approval. All items with a value of less than \$1,000 for disposal as junk or salvage shall be assigned to Stores and Mail Distribution warehouse which will be the sole processor of disposal.

At this school, the latest property inventory of items with an individual cost of \$1,000 or more was conducted in November 2012. Inventory records listed 66 items with a total value of \$139,192.

Our physical verification of property disclosed that 12 property items with a depreciated value of approximately \$700 and an acquisition cost of approximately \$18,900 could not be found (otherwise referred to as “unlocated”). The “unlocated” property consisted of computer equipment and a gas pressure washer acquired between February 1998 and October 2006.

According to the school administration, school staff disposed of the obsolete equipment. However, this method of disposal does not comport with School Board policy, which requires the involvement of Stores and Mail Distribution in the removal of tangible property from the school premises.

## RECOMMENDATIONS

- 3.1. Ensure that school staff, particularly those involved in the relocating and moving of equipment on school premises, understand and are fully aware of the procedures for accounting and disposing of property.
- 3.2. Strengthen management control over property items at the school.

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

### Management Response:

The Principal has reviewed with the Assistant Principal, Head Custodian and Microsystems Technician Section 4 of the *Manual of Property Control Procedures* and School Board Policy 7310 *Disposition of Surplus Property* regarding the procedures for recording and managing property as well as for the disposition of property to ensure a thorough understanding of district requirements. In order to correct the issues cited in the audit report, the Principal developed a systematic process for accounting and disposing of property to prevent property loss at Kelsey L. Pharr Elementary.

Property inventory will be maintained through an online database. Movement of any items of property will be monitored through the Assistant Principal and the updating of the database will be completed by the microsystems technician.

In-house property reviews will be conducted three times within the school year, to verify the existence and location of all property control items. Items unaccounted for will trigger an in-house inquiry throughout the building to locate the item in question. If the item cannot be located, School Police will be contacted, and a Plant Security Report (FM-0366) will be filed with School Police. The Education Transformation Office (ETO) will be immediately notified.

In cases where property is obsolete and disposal is warranted, identified items will be moved to a central location in the Assistant Principal's office with property control and/or serial numbers on an "Outgoing Controlled Equipment Form" (FM-1670) completed by the Assistant Principal. Property shall then be disposed of to the Stores and Mail Distribution's warehouse. The Assistant Principal will submit the Outgoing Control Form to the Principal for review and signature. A copy will be provided to the microsystems technician to update the property listing database. In addition, the Assistant Principal in conjunction with the Principal will maintain all documentation.

A Property Inventory Confirmation Form will be completed by the Assistant Principal as part of the Opening, Mid-Year and Closing of School Procedures. A copy of the Form will be faxed to the ETO Administrative Director. The Principal will meet with the

school's staff and review the procedures for the maintenance and disposal of the school's property.

**Person(s) Responsible:**

**ETO Administration**

**Management Response:**

The ETO Office Regional Administrative Director has instructed the Principal to review with the staff Section 4 of the *Manual of Property Control Procedures* and School Board Policy 7310 *Disposition of Surplus Property* and to develop a systematic process for accounting and disposing of property to prevent loss.

## 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, 2011 and/or June 30, 2012, depending on the school audited, 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.

While the scope of our audits generally covered operations during the period of July 1, 2010 through June 30, 2011 and/or July 1, 2011 through June 30, 2012 (depending on whether the audit scope was one or two-year audit at the individual school being audited), payroll, purchasing credit card transactions, and information technology controls included current periods. Title I program covered the 2011-2012 fiscal year only. FTE audits covered the October 2012 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, 2011 and June 30, 2012 was 0.57% and 0.54%, respectively.

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

- ◆ Annual audits of internal funds are required by Section 1011.07, Florida Statutes, and State Board of Education Rule 6A-1.087
- ◆ Internal Funds are revenues generated from student activities at the school level which are not part of the school's budget process
- ◆ Each school administers its internal funds separately through an operational checking account, following District guidelines as established in the *Manual of Internal Fund Accounting*
- ◆ Banks for school funds must be approved by the School Board and certified by the State Treasurer
- ◆ Idle funds in the operational account may be invested to yield interest revenue in a savings account, certificate of deposit or in the MDCPS-Money Market Pool Fund
- ◆ At June 30, 2011 and June 30, 2012, the MDCPS-Money Market Pool Fund's interest rate was 0.57% and 0.54%, respectively.

## PAYROLL

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

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

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

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

## PROPERTY

At M-DCPS, the management of property items must comply with the guidelines established in the *Manual of Property Control Procedures*. According to Chapter 274.02 of the Florida Statutes, a complete physical inventory of all property shall be taken annually, be compared with the property record, and discrepancies must be identified and reconciled.

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 currently managed by the Accounts Payable Department.

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

## 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.

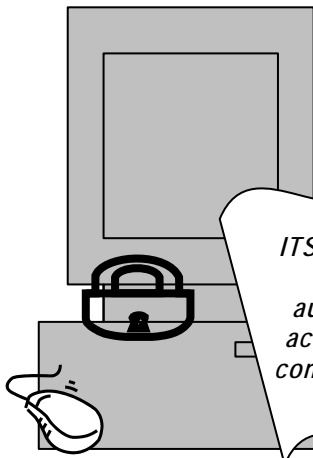


Schools follow specific criteria for the use of Title I funds as delineated in the *Title I Administration Handbook*. Purchases of supplies and equipment are processed through regular district channels or via use of the P-Card Program, depending on the amount. Salary expenditures must comply with budgetary 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 each fiscal year, months selected by the FDOE for these surveys are as follows:

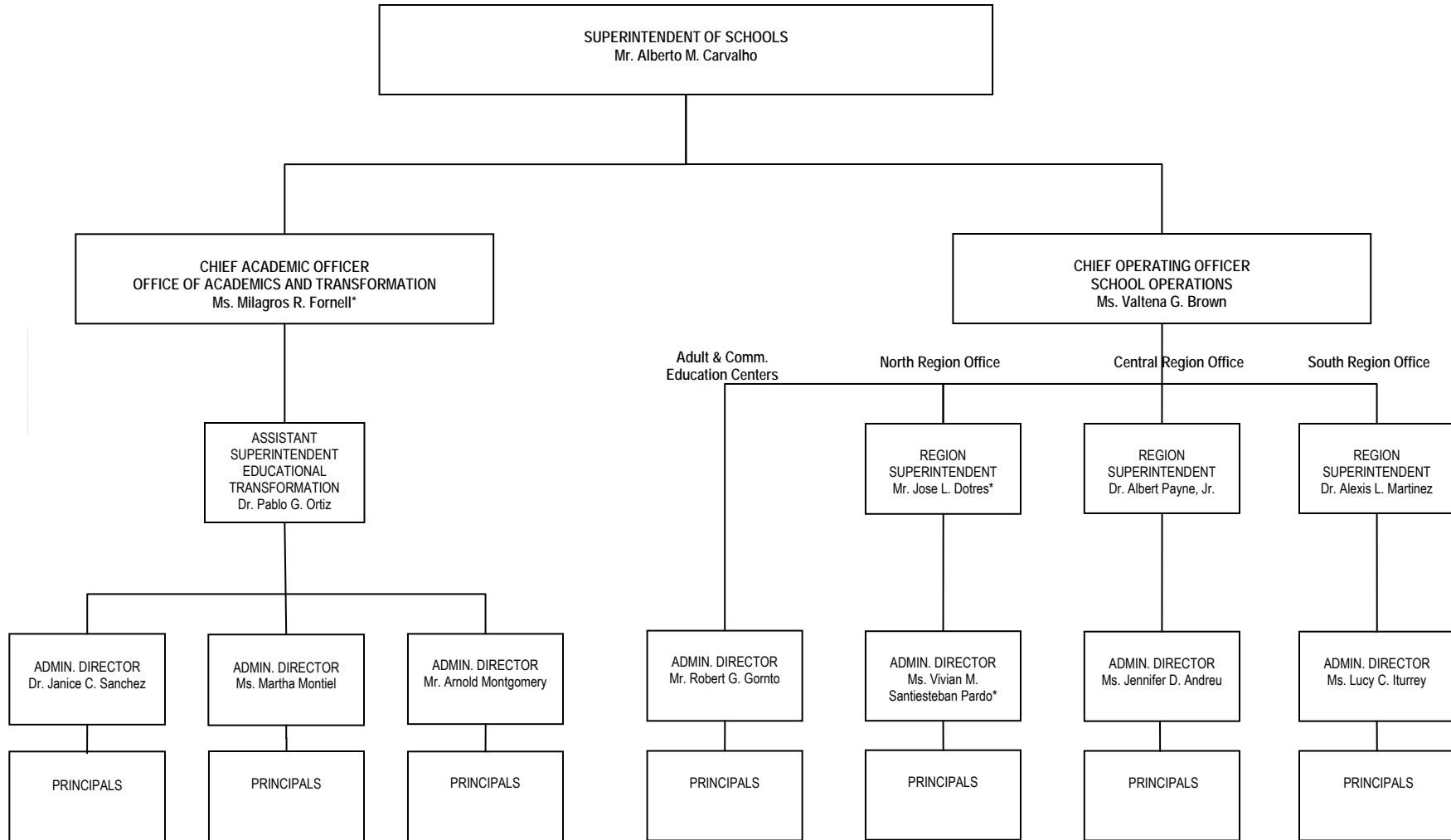
<b>Survey Period No.</b>	<b>Time Period of Survey</b>
1	July (Summer School only)
2	October
3	February
4	June (Summer School only)

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

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

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

## PARTIAL ORGANIZATIONAL CHART (SCHOOLS)



\* Pursuant to School Board Meeting of November 21, 2012, Ms. Milagros R. Fornell was re-assigned to the position of Chief Academic Officer, Office of Academics and Transformation. Mr. Jose L. Dotres was re-assigned to the position of Assistant Superintendent, Human Capital, Office of Human Capital Management; Ms. Vivian M. Santiesteban Pardo was promoted to the position of Regional Superintendent, North Region Center; and Ms. Sally J. Alayon, Principal at Alonzo and Tracy Mourning Senior High School, was promoted to Administrative Director, North Region Office to fill the Business Director position that will be vacated by Ms. Santiesteban Pardo; however, these changes will not transition until April 2013.






**APPENDIX  
MANAGEMENT'S RESPONSES**

MEMORANDUM

February 15, 2013

TO: Dr. Pablo G. Ortiz, Assistant Superintendent  
Education Transformation Office (ETO)

FROM: Ann Lewis, Principal   
Paul Laurence Dunbar K-8 Center

SUBJECT: ADMINISTRATIVE RESPONSE TO INTERNAL AUDIT REPORT OF PAUL  
LAURENCE DUNBAR K-8 CENTER FOR THE 2011-2012 FISCAL YEAR

The Principal has carefully reviewed the findings cited in the Internal Fund Audit Report for the 2011-2012 fiscal year. As a result, the Principal has established an action plan comprised of definite strategies to implement in order to prevent future recurrences.

**Inadequate Controls over Collecting, Receipting, and Depositing of Funds Associated with Field Trip Activities**

- 1.1. Discuss collecting, receipting and depositing procedures with the entire school staff for understanding and awareness of the requirements and enforce procedures.
- 1.2. Assign an employee to verify the collections in addition to the treasurer.
- 1.3. Strengthen the review and oversight of the receipting/depositing activities to ensure that monies are receipted in a timely receipted, deposited, properly recorded and safeguarded.
- 1.4. Ensure that all field trips documentation associated with the field trips conducted during the year (including properly approved Field Trip Request Packets and ancillary documentation) is filed as part of the Internal Fund records of the school.
- 1.5. Ensure that the receipt produced by the automated system is stapled to the last receipt in the official receipt book that corresponds to the collection submitted.

Persons(s) Responsible: Principal, Assistant Principal, Treasurer, Elementary Assistant

**Management Response:**

The Principal met with the Treasurer and the Assistant Principal on February 7, 2013 to thoroughly review Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting which establishes the procedures for collecting and depositing monies generated from internal fund activities; and reviewed the guidelines on individual collection of \$15 or more which requires a receipt be issued at the point of collection. The Assistant Principal will be assigned to verify, biweekly that the required documentation is attached to the receipt book as outlined in the Manual of Internal Fund Accounting before deposits are posted or processed.

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

The Principal met with the Treasurer on February 7, 2013 to review the policies and procedures for posting receipts to confirm that all the computer-generated receipts produced by the automated system are stapled to the Receipt Book and correspond to the amounts receipted and deposited in the bank.

The Principal will conduct a faculty meeting on February 20, 2013 to review the procedure for timely collection of funds and deposits, receipt of monies and to conference with responsible staff as to authenticate the accuracy of collections and verification of deposits.

The Elementary Assistant has been assigned as the back-up designee and the Principal will review the Section II, Chapters 2 and 3 of the Manual of Internal Fund Accounting *and* Weekly Briefing #5164 to include a system of checks and balances including mini in-house reviews.

The Principal reviewed on February 7, 2013 the procedures in Section IV, Chapter 1 of the Manual of Internal Fund Accounting and Field Trip Procedures Handbook with the Treasurer who will retain, record and file all documents pertaining to Field Trips.

The Principal and Assistant Principal will check/review all Internal Funds records monthly.


Should you have any questions or need further clarification, please contact me directly.

cc: Arnold Montgomery, Administrative Director

MEMORANDUM

February 14, 2013

TO: Dr. Pablo G. Ortiz, Assistant Superintendent  
Education Transformation Office (ETO)

FROM: Rhonda Y. Williams, Principal  
Barbara Hawkins Elementary School 

SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL FUNDS AUDIT REPORT OF  
BARBARA HAWKINS ELEMENTARY SCHOOL FOR THE 2011- 2012  
SCHOOL YEAR

The Principal has reviewed the audit findings for the period of July 1, 2011 – June 30, 2012. As a result, the following corrective and preventive measures have been taken in order to prevent future assurances.

- 1.1 Ensure that separate Trust Fund accounts are utilized to account for grants and donations earmarked for specific purposes and with different spending requirements to provide clear accountability of expenditures and timelines.
- 1.2 Contact the grantor(s) to request an extension for spending grant funds with expired timelines. If the grantor(s) allow(s) future use, post grants in separate Trust Fund accounts for better accountability. Otherwise, return the funds.
- 1.3 Ensure that disbursements of \$1,000 or more but less than \$50,000 are documented with written quotations, including one from a minority certified enterprise.
- 1.4 Discuss the disbursement documentation requirements with appropriate staff to ensure that purchase orders are issued and filed, written quotes are obtained as needed and applicable and itemized invoices are obtained; and complimentary signed lists of merchandise distributed to students/staff as incentives are maintained in the school files.

Person(s) Responsible: Principal and Treasurer

Management Response:

The principal has reviewed and thoroughly discussed on February 8, 2013 the internal funds audit report for the 2011-2012 school-year with the Secretary/Treasurer. A meeting was held on February 8, 2013 with the Secretary/Treasurer to review Trust Fund accounts procedures as outlined in the Manual of Internal Fund Accounting and a meeting has been set up on February 22, 2013 with the school's Internal Funds Business Manager to assist with the monitoring and separation of the individual grants, so that the grant monies may be monitored accurately.

The principal will require the treasurer to attend and be trained in March of 2013 along with the sponsor responsible for the grants to get a better understanding of the procedures and policies of the grant(s) issued to the school. The grantor has been contacted on February 8, 2013 and we are expecting the letter of approval for the continued use of grant funds beyond the allotted timeframe on or before February 22, 2013.

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**ADMINISTRATIVE RESPONSE OF INTERNAL FUNDS AUDIT REPORT OF BARBARA HAWKINS ELEMENTARY SCHOOL FOR THE 2011- 2012 SCHOOL YEAR**

The principal will require the treasurer to obtain three documented quotes/bids, including one minority vendor, when an individual purchase is over \$1,000 and attach to the invoice. Once the quotes/bids have been obtained, the lowest quote/bid will be used. The treasurer will be required to maintain a log of bids submitted

The principal has implemented corrective and preventive strategies as of February 8, 2013 to prevent reoccurrence of similar expenditures in future audits. The principal will monitor the internal fund accounts on a weekly basis by having the treasurer pull the accounts and the principal will then go on line in MSAF and monitor each Internal Account every Monday.

The principal has implemented a process as of February 8, 2013 which entails a sign off sheet of merchandise distributed to students/staff as incentives with the Trust Fund accounts utilized for grants and donations. The treasurer will be required to maintain a log of complimentary merchandise distributed to staff/students. The principal will meet with the treasurer on a bi-weekly basis to monitor this procedure.

RYW:ddw

cc: Ms. Milagros R. Fornell  
Mr. Arnold Montgomery

**MEMORANDUM**

February 8, 2013

**TO:** Dr. Pablo G. Ortiz, Assistant Superintendent  
Education Transformation Office

**FROM:** Dr. Yvonne Perry, Principal *YRP*  
Kelsey L. Pharr Elementary School

**SUBJECT: ADMINISTRATIVE RESPONSE OF INTERNAL AUDIT REPORT OF KELSEY L. PHARR  
ELEMENTARY SCHOOL FOR THE 2011-2012 FISCAL YEAR JULY 1, 2011 THROUGH  
JUNE 30, 2012**

This memorandum is written in response to the Internal Audit Report of Kelsey L. Pharr for the 2011-2012 fiscal year and in regards to results of the most recent property audit. The recommendations listed in the audit report are as follows:

**Improper Procedures For The Disposal of Property Resulted In the Reporting Of "Unlocated" Property**

- 1.1 Ensure that School staff, particularly those involved in the relocating and moving of equipment on school premises, understand and are fully aware of the procedures of accounting and disposing of property.**
- 1.2 Strengthen management control over property items at the school.**

**Persons Responsible:** Principal, Assistant Principal, Head Custodian, Microsystems Technician

**Management Response:**

The Principal has reviewed with the Assistant Principal, Head Custodian and Microsystems Technician Section 4 of the *Manual of Property Control Procedures* and School Board Policy 7310 *Disposition of Surplus Property* regarding the procedures for recording and managing property as well as for the disposition of property to ensure a thorough understanding of district requirements. In order to correct the issues cited in the audit report, the Principal developed a systematic process for accounting and disposing of property to prevent property loss at Kelsey L. Pharr Elementary.

Property inventory will be maintained through an online database. Movement of any items of property will be monitored through the Assistant Principal and the updating of the database will be completed by the microsystems technician.

In-house property reviews will be conducted three times within the school year, to verify the existence and location of all property control items. Items unaccounted for will trigger an in-house inquiry throughout the building to locate the item in question. If the item cannot be located, School Police will be contacted, and a Plant Security Report (FM-0366) will be filed with School Police. The Education Transformation Office (ETO) will be immediately notified.

In cases where property is obsolete and disposal is warranted, identified items will be moved to a central location in the Assistant Principal's office with property control and/or serial numbers on an "Outgoing Controlled Equipment Form" (FM-1670) completed by the Assistant Principal. Property shall then be disposed of to the Stores and Mail Distribution's warehouse. The Assistant Principal will submit the Outgoing Control Form to the Principal for review and signature. A copy will be provided to the microsystems technician to update the property listing database. In addition, the Assistant Principal in conjunction with the Principal will maintain all documentation.

A Property Inventory Confirmation Form will be completed by the Assistant Principal as part of the Opening, Mid-Year and Closing of School Procedures. A copy of the Form will be faxed to the ETO Administrative Director. The Principal will meet with the school's staff and review the procedures for the maintenance and disposal of the school's property.

If additional information is needed, please contact me at 305-633-0429.

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

MEMORANDUM

February 25, 2013  
PGO#050/2012-2013  
305 995-3091

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

FROM: Pablo G. Ortiz, Ed.D, Assistant Superintendent  
Education Transformation Office (ETO)

SUBJECT: **RESPONSES TO AUDIT REPORT OF EDUCATION TRANSFORMATION  
(ETO) SCHOOLS**

Please find attached the responses to the audit findings for the 2011-2012 fiscal year for Barbara Hawkins Elementary School, Kelsey L. Pharr Elementary School and Paul Laurence Dunbar K-8 Center. The Education Transformation Office (ETO) has reviewed the exceptions cited. The following support activities will be implemented at the Region level.

Barbara Hawkins Elementary

**1. Earmarked Grant Funds Commingled, Not Spent According To Timelines, And Expenditures Non-Compliant with Internal Funds Guidelines**

The ETO Office Regional Administrative Director has instructed the Principal to conduct quarterly mini-reviews that require the Principal to conduct a self-check on internal financial and operational functions to eliminate the possibility of recurring findings and to ensure that an effective and systematic process is in place to safeguard schools' funds.

Kelsey L. Pharr Elementary

**1. Improper Procedures for the Disposal of Property Resulted in the Reporting Of "Unlocated" Property**

The ETO Office Regional Administrative Director has instructed the Principal to review with the staff Section 4 of the *Manual of Property Control Procedures* and School Board Policy 7310 *Disposition of Surplus Property* and to develop a systematic process for accounting and disposing of property to prevent loss.

Paul Laurence Dunbar K-8 Center

**2. Inadequate Controls over Collecting, Receipting and Depositing of Funds Associated with Field Trip Activities**

The ETO Office Regional Administrative Director has instructed the Principal to thoroughly review with the staff Section II, Chapters 2 and 3 of the *Manual of Internal Funds Accounting* and the *Field Trip Procedures Handbook* to ensure proper safeguarding of schools' funds as it pertains to the receipt and deposit of funds from field trip activities.

Should you need additional information, please contact me at 305 995-3091.

PGO/dsp  
Attachments

cc: Ms. Milagros R. Fornell  
Ms. Maria T. Gonzalez  
Dr. Janice Cruse-Sanchez  
Mr. Arnold Montgomery





# MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

## *Federal and State Laws*

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

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

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

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

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

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

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

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

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

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

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

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

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

*Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 205.07 (Florida Statutes), which stipulate categorical preferences for employment.*

### **In Addition:**

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

*Revised: (07-11)*

# MIAMI-DADE COUNTY PUBLIC SCHOOLS



## INTERNAL AUDIT REPORT SELECTED SCHOOLS MARCH 2013



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